DOCUMENT RESUME

ED 126 623 EA 008 566

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TITLE State Funding of Urban Education Under the Modern School Finance Reform Movement.
PUB DATE Jan 76
NOTE 60p.; Not available in hard copy due to marginal reproducibility of original document

EDRS PRICE MF-$0.83 Plus Postage. HC Not Available from EDRS.
DESCRIPTORS Bilingual Education; Compensatory Education Programs; Disadvantaged Youth; *Educational Finance; Elementary Secondary Education; Equalization Aid; Expenditure Per Student; *Finance Reform; Financial Policy; Revenue Sharing; School Accounting; *State Aid; *State School District Relationship; Supreme Court Litigation; Tables (Data); Tax Allocation; *Urban Education

ABSTRACT

In Serrano v. Priest, the California Supreme Court in 1971 initiated a modern era of elementary and secondary school finance reform. This paper first examines the present problems of urban school finance to ascertain why urban adjustments are necessary today in the new school finance formulas. All urban school finance adjustments in use at the time of Serrano and since Serrano are described and policy problems related to these adjustments are discussed. The final section analyzes school finance reform in ten states concerning fiscal impact on key urban school districts. Tables and text demonstrate that urban school districts have had state aid redistributed in their favor as often as it has been shifted the other way. (Author/MLF)

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January, 1976

# STATE FUNDING OF URBAN EDUCATION UNDER THE MODERN SCHOOL FINANCE REFORM MOVEMENT

by

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## ABSTRACT

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* * *

In Serrano v. Priest the California Supreme Court in 1971 initiated a modern era of elementary and secondary school finance reform. Financial disparities among school districts came again under severe attack: first, from the courts; then from Governors' offices and state legislatures. A dozen or so states have passed major reform legislation since Serrano, most of it oriented toward lessening the expenditure gaps between rich and poor districts which are caused by differences in wealth. Cities with lower than average property wealth have gained from recent reforms. They have received more state aid per pupil than the average in their states. And they have had to increase local revenues per pupil less than the state average, or if local revenues decreased in their states, they have been able to decrease their local revenues per pupil even more than the statewide average.

When urban education fiscal problems and educational needs are considered in a more comprehensive fashion than focusing solely on property wealth status, however, cities have not done nearly as well under the post-Serrano reforms. Considering per capita income, noneducational tax burden and proportion of disadvantaged students in enrollment, in addition to equalized property valuation, less than half of the "needy" urban school districts have benefited from redistribution of basic state aid. Although two-thirds of these cities came out better than other districts in their states in reducing local revenue outlays or in limiting increases.

The record might well be worse for needy urban school districts, except that several states have adjusted general aid formulae for income, municipal overburden, cost-of-living differences and disproportionate numbers of low-income students, which adjustments have been quite important when cities' high property wealth would otherwise not entitle them to reform benefits.

This paper describes all urban school finance adjustments in use at the time of Serrano and since Serrano; it discusses policy problems related to these adjustments; and it analyzes school finance reform in ten states concerning fiscal impact on key urban school districts.

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A. The Need for Urban Adjustments

Urban school finance historically has not received much special legislative attention. It has not been necessary. Cities have had sound property tax bases. They have used their wealth to establish themselves as innovative leaders in elementary and secondary education. They were most prominent in creating high school opportunities for the general populace, instituting a broad variety of curricula within high schools, and initiating other costly programs, such as special education of the mentally and physically handicapped and vocational education. This fiscal and educational dominance by central cities of their metropolitan areas continued up until World War II.

By 1950, however, the emergence of suburban wealth on a large scale clearly marked the end of central city dominance. The suburbs used their new affluence to make education their principal public activity. They became educationally more attractive than the cities. Large city expenditures started moving "in a variety of directions relative to the national norms, but (over the past 20 years) they all have moved approximately in the same downward direction relative to their own state and metropolitan contexts."[1] This reversal of city and suburban roles as educational leader has become firmly established since the mid-1950's, with little sign of any change in sight.

Let us examine the present problems of urban school finance to ascertain why urban adjustments are necessary today in the new school finance formulas.

(1) Some city tax bases are alarmingly deficient compared to state tax bases. For example, in New Jersey the 17 urban districts all together have equalized assessed valuation per pupil almost 30% less than the state average, while Newark and Camden have 62% and 66% less (Oct. 1973).[2] Boston, Buffalo, Baltimore, Columbus, (Ohio) and St. Petersburg (Fla.) have been almost as disadvantaged as the N.J. urban districts. Overall, however, city property tax bases still remain high compared to state tax bases.[3]

More importantly, the property wealth of cities has been declining significantly relative to their surrounding metropolitan areas during the past 20 years.[4] Yet urban education costs have had to respond to suburban cost pressures. According to Prof. Seymour Sacks, a well-known scholar concerning city-suburban cost differences, "the common metropolitan environment, which in former years had a salutary effect on suburban education, now has a debilitationg effect on central city education as the metropolitan area determines the level of costs without providing the resources for meeting those costs."[5] This is especially true regarding salaries, which account for 80-85% of school systems' operating budgets. Suburban jurisdictions also exert cost pressures as a result of their lowering of class size, which translates into requirements for hiring more teachers and other instructional personnel to teach the same number of students, which increases total salary costs. Suburbs additionally exert cost pressures by increasing the breadth and depth of program offerings, expanding special services, such as guidance counseling and special reading diagnostic services; and constructing more roomy and attractive school plants.

Yet traditional state aid formulas generally do not help cities in this situation, since the formulas are patterned after conventional concepts of allocating state aid to make up for local property tax base inadequacy in providing for minimum foundation programs, which were designed to help low-spending rural districts. Cities' apparently high wealth and expenditures compared to state averages have excluded cities from assistance under such formulas.

(2) Compounding the above situation has been the relative decrease in income which cities have suffered vis-a-vis their metropolitan suburban neighbors. By 1959 the proportion of families with incomes under $3,000 was almost 50% greater in central cities than in their outlying areas, and the disparity even larger for SMSA's over 1,000,000.[6] By 1967 median family income was only $7,813 in central cities and $9,367 in outlying metropolitan areas.[7] Thus, when considering income alone, in order to offer educational systems on a par with their suburban neighbors' educational standards, cities would have to levy a 20% higher tax burden on their incomes. State equalization formulas, however, generally have not recognized or compensated for income differences among communities.

(3) Severe financial demands from noneducational public functions place another burden upon city tax bases. Central city total local taxes for the noneducational public functions, compared to outlying areas in large SMSA's, were 91% higher in 1967.[8] Large city per capita expenditures for noneducational functions were 53% higher than state averages for police protection, 91% higher for fire protection, 87% higher for refuse collection and disposal, 66% higher for sewers, and 70% higher for health and hospital services in 1969-70.[9] These noneducational cost pressures on city tax bases have not diminished over the years. As cities continue to lose industrial and commercial activity to the suburbs, continue to gain low income families, and generally experience a relative (and sometimes absolute) decline in their tax bases compared to those of their outlying suburbs, the extant urban noneducational expenditures are creating more fiscal competition for urban educational expenditures.

(4) Also urban school finance dollars do not buy the same education resources as rural areas' and suburban areas' dollars do. Instructional expenditures are the principal factors which are impacted by these differences. Cities (and their suburbs) pay significantly higher starting salaries than rural areas, both at the bachelors' and advanced degree levels.[10] One might say this is a matter of choice for cities, but it seems doubtful that many qualified teachers (by present state standards) could be induced to work in central city districts at the starting salary levels paid teachers in rural areas. Some differential seems necessary to compensate for cost-of-living variations between metropolitan and rural areas.

Urban districts also pay more monies for average teacher salaries than do suburban districts. This is so because teacher salaries rise with seniority, and urban district teachers often have more seniority than their suburban counterparts. Yet according to Prof. Betsy Levin, noted scholar concerning education finance and legal issues, "the tenure system leaves districts little choice as to whether such (experienced) teachers are retained or replaced with inexperienced teachers."[11] They must be retained and paid for their seniority.

Up until 1973, state minimum salary schedules which paid more for different training levels and for seniority were the only state vehicle for recognizing and compensating for the cost differences in providing for equivalent educational resources. These state salary schedules, mostly used in the South, were designed, however, primarily to provide a salary floor for rural districts(?).

(5) Finally, urban school finance requires special attention because of cities' disproportionate numbers of low achieving, low income, special education and vocational education students, and of students from different linguistic and cultural backgrounds. For example, New York cities have twice the proportion of students scoring at least two grade levels below the state norms in reading, and more than three times as many children from families receiving AFDC payments, when compared to outlying school districts.[12] Looking at 17 of the nation's largest cities, we note that their school districts have more than three times the proportion of Title I eligibles in their enrollment as their respective states have of school-age AFDC children in their overall state enrollments (1972).[13] Regarding special education, for example, in New Jersey the 17 major urban districts proportionately have 50% more students in special education than does the State as a whole (Fall, 1972). These same city districts also have almost three times the percentage of Spanish-surnamed pupils as the state average (Fall, 1972).[14] Nonwhite school populations for the 15 largest cities in the U.S., always high compared to suburbs, have increased tremendously in recent years, from a district average of 38% in 1960 to 56% in 1970.[15]

B. State Attention to Urban School Finance Problems at the Time of Serrano

Before Serrano v. Priest (Aug. 1971) states were already responding to urban school finance problems in a variety of ways.

(1) State Categorical Compensatory Education Programs

Only two states had enacted and funded categorical compensatory education programs prior to 1964, the year of passage of the Federal Government's Economic Opportunity Act (EOA), which focused the nation, for the first time since the Depression, on poverty and its grinding impact on those caught up in it. The next year, 1965, the Federal Government passed the Elementary and Secondary Education Act (ESEA). By 1966-67, four more states had enacted state compensatory education programs, largely because of the stimuli of the EOC's Head Start, Job Corps and Neighborhood Youth Corps programs and the ESEA's Title I program, all of which targeted their funds on the education of disadvantaged youth. At the time of Serrano, 16 states all told had initiated or were about to initiate state compensatory education efforts. From a meagre funding of $27 million or so in 1966-67, the states were set to allocate more than $168 million in 1971-72, although four states, Calif., New York, Ohio and Michigan, accounted for 87% of the total. (See Table 2.)

(2) General Aid Formula Adjustments

During this time while state categorical programs for disadvantaged students were growing in number and size, 11 states chose to make major adjustments in their general education aid formulas to provide extra funds for urban education. However, of these 11 states, six had and five had not enacted state compensatory education programs. Thus, by the time of Serrano a total of 21 states had made special efforts to aid urban education.

Popular formula adjustments were those which were designed to raise the amount of foundation program entitlement for urban districts by means of some simple, "objective" criteria. These objective criteria, on the one hand, obviated the need to mention by name specific districts to be aided, but, on the other hand, bore no direct relationship to the specific urban school finance problems discussed earlier in this paper. Maryland and Pennsylvania used population density as a criterion for Baltimore and Pennsylvania's cities to qualify for higher state basic aid entitlements.*

* Maryland provided $50/enrolled pupil extra entitlement for districts with a population density of 8000 or more per square mile. Only Baltimore qualified. Pennsylvania provided an additional entitlement up to $250 per Weighted Average Daily Membership (WADM) for districts with a population density of more than 10,000 per square mile, with higher spending districts qualifying for the higher density entitlements. Of the State's 13 largest cities, only seven qualified; however, 13 suburban and small town districts also qualified.

TABLE 2 - State Compensatory Education Program Funding
(Selected Years Through 1971-72)

| State | Initial Comp. Educ. Program Legislated | Total State Compensatory Education Allocations (In Thousands of Dollars) 1966-67 | 1969-70 | 1970-71 | 1971-72 |
|---|---|---|---|---|---|
| Hawaii | 1961 | 468* | 890* | 1,175* | 1,214* |
| California | 1963 | 7,652 | 28,354 | 42,021 | 44,349 |
| Michigan | 1964 | 11,484 | 15,201 | 21,500 | 26,400 |
| Connecticut | 1965 | 6,095 | 8,188 | 8,375 | 7,987 |
| Pennsylvania | 1965 | 1,000 | 1,000 | 1,000 | 1,000 |
| Washington | 1965 | n.a. | 2,100(b) | 4,000(b) | 3,200(b) |
| Oregon | 1967 | | 1,000 | 1,385 | 1,000(a) |
| Ohio | 1967 | | 16,472 | 22,254 | 28,670 |
| Wisconsin | 1967 | | 2,000* | 1,975* | 2,000(a) |
| New York | 1968 | | 52,000 | 52,000 | 47,000 |
| Rhode Island | 1968 | | 2,000 | 2,000 | 2,000 |
| Illinois | 1968 | | -0- | 200(c) | 805(c) |
| Arizona | 1969 | | 100(c) | 200(c) | 100(c) |
| Colorado | 1969 | | 2,000 | 1,547 | 1,000 |
| Delaware | 1969 | | 500 | 500 | expired |
| Massachusetts | 1971 | | | | 1,500(c) |
| Column Totals | | 26,699 | 131,805 | 160,132 | 168,225 |

*Estimate

(a) Only one district in Oregon (Portland) and in Wisconsin (Milwaukee) benefited from these "state" compensatory education programs.

(b) This figure only includes funds for the "Urban, Rural, and Racial Disadvantaged" educational program, legislated in 1969. Data are not available on Washington State's other compensatory education program, the "Culturally Disadvantaged Program", initiated in 1965 as an adjustment to the State's general education aid formula.

(c) Exclusively for bilingual education programs.

Table Sources: Stanford Research Institute, Educational Policy Research Center, State Compensatory Education and Bilingual Programs (Res. Memo EPRC 2158-25) (Menlo Park, Calif.: Stanford Research Inst., Feb. 1975); Thomas L. Johns, ed., Public School Finance Programs, 1971-72 (DHEW Publication No. (OE) 73-00001) (Washington, D.C.: GPO, 1972), especially Table 2, page 4; and various state department of education officials, state legislative staff and local education agency officials.

Pennsylvania also used school district size as a criterion for (large) districts to qualify for extra state basic aid, as did Illinois, New York and Ohio.# While funneling significant funds into cities, these state

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# Pennsylvania. Districts qualifying for the population density bonus which had WADM of more than 50,000 received 19% of the actual costs of instruction multiplied by the districts' WADM. Only Pittsburgh and Philadelphia qualified for this "super density" adjustment.

Illinois. Districts with over 10,000 Weighted Average Daily Attendance (WADA) qualified. Their pupil units (WADA) were increased, thereby increasing their entitlement under the State's foundation program.

| District Size (WADA) | Bonus Increase in WADA | Districts Participating |
|---|---|---|
| 10,000 - 19,999 | 4% | 18 |
| 20,000 - 29,999 | 8% | 4 |
| 30,000 - 199,999 | 12% | Rockford |
| 200,000 plus | 16% | Chicago |

New York. The state basic operating aid entitlement was increased by 10% of approved state and local operating expenses up to $760/WADA for all districts for the first 1500 WADA. Districts over 8000 WADA also received a second stage correction: their basic entitlement was increased by an additional 10% of approved state and local operating expenses up to $760/WADA for 60% of all WADA in excess of 8000. The six largest cities (New York, Buffalo, Rochester, Syracuse, Yonkers and Albany), however, who did not receive the foregoing second stage correction, had a second stage correction tailored especially for them: their basic operating and growth entitlement was increased by 17.5% in addition to the first 1500 WADA first stage correction. Districts which had approved state and local operating expenses over $760/WADA up to a maximum allowable $860/WADA could get either 1/2 or all of the above "size correction" due them, depending on the basic operating aid plan option they chose.

Ohio. Termed the "Municipal Overburden-Special Needs" provision, districts with over 20,000 students qualified for aid, as did districts contiguous to such districts, providing they also had at least 50% of their pupils classified as educationally disadvantaged. These districts received $11.62 times the districts' ADM. Toledo, Akron, Dayton, Youngstown, Canton and East Cleveland qualified. Districts with over 70,000 students received slightly better treatment, providing they had resident ADC recipients, ages 5-17, comprising at least 20% of a district's ADM. These districts received $14.56 times a district's ADM. Cleveland, Columbus and Cincinnati qualified. Notice, while the qualifying criteria included ADC or educationally disadvantaged incidence, the formula adjustments were made for a qualifying district's total student membership (ADM). The payments were to increase to $20 and $25 the next year.

legislative adjustments to basic school aid formulae were non-specific responses to urban school finance problems.

Only Ohio's adjustment, of five state adjustments noted above, attempted to relate its special aid to a specific problem of urban schools, that is, their disproportionate numbers or concentrations of hard-to-educate students. To qualify for Ohio's "Municipal Overburden" education funds, large districts had to have either half or more of their pupils classified as educationally disadvantaged or at least 20% ADC recipients among the districts' ADM.* Pennsylvania also had a formula adjustment (a second one, in addition to the one reported above) which was similar to Ohio's in basing additional state aid entitlement on concentrations of hard-to-educate students. This "poverty factor" adjustment first raised all districts' state basic aid entitlements by $140 for each low income pupil. However, when a district's percentage of low income pupils exceeded 15% of ADM, the district was entitled to $25 to $125 extra per low income pupil.# In both Ohio's and Pennsylvania's adjustments for disadvantaged students, concentrations of these students, rather than simply the number of such students in a district, was important in determining which districts receive aid (Ohio) and how much aid was available (Ohio and Pa.).

Five other states, Missouri, New Jersey, Minnesota, Washington and Nebraska, also adjusted their basic aid formulae to the special needs of students who were classified as "disadvantaged" or who were from low income families, although the concentration factor was ignored. Similar to the first part of Pennsylvania's "poverty factor" adjustment just mentioned, Missouri raised basic aid entitlements $125/AFDC student. New Jersey, Minnesota and Washington counted from 0.1 to 0.75 additional pupil units for "disadvantaged" students when calculating a district's foundation or minimum aid program entitlements.** Nebraska double counted for "disadvantaged" students.##

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* See footnote on preceding page for fuller description.

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| Low Income Pupils As a % of ADM | Extra Entitlement Per Low Income Pupil |
|---|---|
| 15 - 19.9% | $ 25 |
| 20 - 24.9% | 50 |
| 25 - 29.9% | 75 |
| 30% and above | 125 |

** New Jersey: 0.75 Additional pupil unit count for each AFDC student, which increases a district's "resident weighted pupils", thereby the district's "Minimum Support Aid." This was worth $82.50/AFDC student in 1971-72.
Minnesota: 0.5 Additional pupil unit count for each AFDC student. This was worth $300/AFDC pupil in 1971-72.
Washington: 0.1 Additional pupil unit count for pupils qualifying for programs for the "culturally disadvantaged."; basically 1/4 of all AFDC students were counted. This was worth $36.50 per counted AFDC pupil in 1971-72, and was funded totally at $1,031,490.

\#\# Nebraska double counted all students enrolled in an approved program for the "culturally deprived." This extra entitlement, therefore, varied not only with the basic pupil unit cost as did the N.J., Minn. and Washington adjustments, but also depending whether the qualifying students were in Kindergarten, grades 1-6, 7-8, or 9-12. Thus, this factor was worth $225 for designated pupils in Kindergarten, $450 for grades 1-6, $500 for grades 7-8 and $550 for grades 9-12 in 1971-72.

All of the states' density, district size and disadvantaged/low-income pupil adjustments heretofore discussed were subject to the same state-local cost sharing arrangements of the affected states' general aid formulae. Ohio's "Municipal Overburden" adjustment and Pennsylvania's "poverty factor" adjustment were the sole exceptions, as these were 100% state funded.#

Three states chose to adjust their general aid formulae to aid cities by using a different definition of school district wealth than that normally used in calculation of state and local shares of basic state education aid programs. Maryland and New Jersey chose this approach in addition to their previously mentioned adjustments to basic aid entitlements. Rhode Island relied on this method to supplement its state compensatory education program.

One of the principal urban school finance problems cited earlier was the declining income of cities. The states of Rhode Island and Maryland both incorporated income measures into their definition of district wealth in their general education aid formulae. Because the income positions of the major cities of the two states were less than state average, the states' use of income measures to partially define district wealth, in effect, reduced the apparent wealth of the large city districts, thereby setting up calculations of larger state shares and smaller local shares of the basic aid programs than would otherwise have been the case.*

New Jersey, however, adjusted district wealth by a less direct method than use of income measures to reduce apparent district wealth. The Garden State, as already noted, included an additional weighting for disadvantaged (AFDC) students when calculating districts' weighted pupil units for purposes of determining state minimum aid entitlements. However, the weighted pupil figure is then used again, in the calculation of the equalized assessed valuation (EAV) per weighted pupil. Thus, in simple terms, a district with $20,000 EAV/pupil and 8,000 pupils, including 2,667 AFDC pupils, would have a district wealth of $16,000 EAV/weighted pupils, thereby

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# Because these Ohio & Pennsylvania funds were not earmarked for compensatory education purposes, they were not considered as categorical compensatory education funds, but as basic aid formula adjustments.

* Rhode Island used the ratio district median family income bore to state median family income to modify equalized assessed valuation of real and tangible property. Rhode Island had a median family income of $9,737, while Providence had $8,430, Pawtucket $9,265, Woonsocket $9,667, Newport $8,592 and Central Falls $7,778 (1970).[16]

Maryland used "net taxable income" (from State income tax returns) summed with equalized real property valuation. Maryland had a net taxable income per pupil of $12,136, while Baltimore had $9,091 (Sept. 1971).[17]

qualifying such a district for more state aid under New Jersey's guaranteed valuation equalization aid program than if it had to participate in such aid program with its wealth determined without regard to its AFDC students.#

Finally, an old and tested method of aiding urban districts should be mentioned as one which numerous states had on the books at the time of Serrano. Average daily membership (ADM) to determine state aid entitlements had often been used rather than average daily attendance (ADA). High truancy rates in cities made this an attractive small adjustment for urban districts, since ADM in cities could provide maybe 5% more aid than ADA.

C. The Changes Since Serrano in Adjustments for Urban School Finance Problems.

Eighteen states have enacted reforms of their school finance systems since Serrano rocked the school finance world in Aug. 1971. In many cases cities have fared well. They often have received increases in state basic education aid proportionally more than their states have increased such aid overall, or, in a few cases, they have received significant increases in state compensatory education funds. Dire warnings concerning the potential negative impact of Serrano-inspired wealth neutralization legislation on relatively high wealth large city school districts were either unnecessary or effective. State legislatures, by and large, have dealt somewhat sympathetically with urban school finance problems.

(1) State Compensatory Education Program Changes

State compensatory education programs have been a key means states have used to channel money to meet the needs of disadvantaged students, of which cities have disproportionately high numbers. Funds for state programs have increased 42% from 1971-72 to 1973-74. (See Table 3.). However, since Serrano only four new states enacted programs (Florida, Utah, Texas and Virginia), and one of those is presently not funding its program (Florida), Meanwhile another state has let its program expire (Colorado).

Further, only one state accounted for the bulk of the national increase in funds since Serrano. California increased its funding by 232% during this period. The State's compensatory educational programs now match the Federal Government's Title I ESEA programs.** California's excellent effort at providing funds for disadvantaged students, however, is somewhat in contrast with the State's treatment of urban school districts in the 1972 reform of the State's school finance system. An examination of the impact of this reform on large city school districts shows that they received less increases in basic state operating aid per pupil than did other

# 2667 AFDC students x .75 additional pupil units = 2000 additional pupil units.
2000 additional p.u. + 8000 pupils = 10,000 weighted p.u.
$20,000 EAV/p. x 8000 pupils = $160,000,000 total EAV
$160,000,000 total EAV ÷ 10,000 weighted p.u. = $16,000 EAV/wt'd p.u.

** No other state comes close to such a state compensatory education effort. Ohio is next best, with only 56% state comp. ed. monies compared to Federal Title I allocations. (See Table 3, last column.)

TABLE 3 -- STATE COMPENSATORY EDUCATION PROGRAM FUNDING: CHANGES 1971-72 TO 1974-75 AND STATE FUNDING COMPARED TO FEDERAL TITLE I ESEA ALLOCATIONS
(In Thousands of Dollars)

| State | Initial Comp. Educ. Program Legislated | Total State Compensatory Educ. Allocations 1971-72 | 1973-74 | 1974-75 | Increase (Decrease) 1971-72 to 1974-75 | | Total Federal Title I ESEA Allocation 1974-75 | State Comp. Educ. Allocations As a Per Cent of Federal Title I ESEA Allocations (1974-75) |
|---|---|---|---|---|---|---|---|---|
| Hawaii | 1961 | $ 1,214* | $ 1,564* | $ 1,564* | $ 350 | 29% | $ 5,350 | 29% |
| California | 1963 | 44,349 | 169,567 | 147,038 | 102,689 | 232 | 155,134 | 95 |
| Michigan | 1964 | 26,400 | 27,000 | 27,500 | 1,100 | 4 | 80,359 | 34 |
| Connecticut | 1965 | 7,987 | 7,000 | 7,000 | (987) | (12) | 17,633 | 40 |
| Pennsylvania | 1965 | 1,000 | 1,000 | 1,000 | -0- | | 90,760 | 1 |
| Washington | 1965 | 3,200(a) | 8,100(a) | 6,100(a) | 2,900 | 91 | 25,512 | 24 |
| Oregon | 1967 | 1,000 | 1,000 | 1,000 | -0- | | 17,756 | 6 |
| Ohio | 1967 | 28,670 | 33,337 | 33,337 | 4,667 | 16 | 59,706 | 56 |
| Wisconsin | 1967 | 2,000 | 4,516 | 2,900 | 900 | 45 | 30,025 | 10 |
| New York | 1968 | 47,000 | 47,000 | -0-(c) | (47,000) | (100)(c) | | (c) |
| Rhode Island | 1968 | 2,000 | 2,000 | 2,000 | -0- | | 6,826 | 29 |
| Arizona | 1969 | (b) | | | | | | |
| Colorado | 1969 | 1,000 | expired | | (1,000) | (100) | | |
| Delaware | 1969 | expired | | | | | | |
| Illinois | 1971 | (b) | | | | | | |
| Massachusetts | 1971 | (b) | | | | | | |
| Florida | 1973 | | -0- | -0- | | | | |
| Utah | 1973 | | 600 | 600 | 600 | | 6,346 | 9 |
| Virginia | 1974 | | | 5,163 | 5,163 | | 39,272 | 13 |
| Texas | 1975 | | | (d) | | | | |
| Column Totals | | $165,820(b) | $297,684 | $235,202 | $69,382 | 42% | | |
| Column Totals Less N. Y. | | $118,820 | $250,684 | $235,202 | $116,382 | 98% | $534,681 | 44% |
| Column Totals Less N. Y. & Calif. | | $ 74,471 | $ 81,117 | $ 88,164 | $ 13,693 | 18% | $379,545 | 23% |

*Estimate

(a), (b), (c) and (d) See next page.

Table Sources: Same as Table 2.

## TABLE 3 - NOTES

(a) This figure only includes funds for the "Urban, Rural, and Racial Disadvantaged" educational program, legislated in 1969. Data are not available on Washington State's other compensatory education program, the "Culturally Disadvantaged Program", initiated in 1965 and terminated in 1975 as an adjustment to the State's general education aid formula.

(b) The categorical funds for state bilingual education programs which were included in this column in Table 2 have been removed in this Table 3. They will be included in Table 4 - State Legislated and Funded Bilingual Education Programs (Arizona $100; Illinois $805; and Massachusetts $1,500; total $2,405, in thousands of dollars).

(c) New York State in 1974 replaced its Urban Education Program, that is, its categorical compensatory education program, with general aid formula revisions which focus additional funds on pupils with recent poor performance on educational achievement tests in reading and math. The funds for this general aid revision are estimated at $146 million in 1974-75.

(d) Texas enacted a state compensatory education program in 1975, appropriating $25.4 million for 1975-76.

districts in the states, and generally fared no better than other districts when increases in total state operating aid are compared. Although Sacramento and Fresno were exceptions in both cases.** Thus, it appears that California chose to meet urban school finance needs primarily by increasing its state compensatory education programs rather than by revising its basic education aid formula.

Other than the states already mentioned New York also made major changes to its state compensatory education program. The Empire State dropped its $47 million program in 1974 in favor of general aid revisions targeted on disadvantaged students.

All told, the 11 states other than California known to have funded programs in 1974-75 increased their total allocations less than 20% from 1971-72. (See Table 3.) What is more, when comparing these 11 states' recent funding for state compensatory education programs to the Federal Government's 1973-74 allocations for Title I ESEA in the same states, the state program funds amountonly to 23% of the Federal program funds. (See Table 3.) Considering that 14 additional "urban" states* have no funded categorical compensatory education programs at all, state compensatory education programs today, therefore, do not appear to be substantial forces in meeting the needs of cities' disproportionate numbers of disadvantaged students. The exceptions noted (California and Ohio) only show what is possible; they do not disprove the foregoing general observation.

(2) State Bilingual Education Programs: A New Front

Meanwhile many states have initiated bilingual education programs in order to meet the special needs of children from homes where a language other than English is dominant. The 1968 passage of the Federal Bilingual Education Act, which became Title VII of The Elementary and Secondary Education Act, its subsequent, substantial funding, and the 1974 US Supreme Court decision in Lau v. Nichols were landmark stimuli in focusing local reformers' and ultimately state attention on bilingual education. Only three states had such programs legislated and funded at the time of Serrano. By 1974-75, however, 13 states had legislated and funded bilingual education programs, while another state had mandated bilingual instruction without legislation.#

** See Table 10.

* Defined as the states which have approximately 50% or more "urbanized" population, which is the population of any area consisting of a central city or cities of 50,000 or more inhabitants (and of the surrounding closely settled territory for such city or cities) which is treated as an urbanized area by the Bureau of the Census for general statistical purposes.[18] The 15 additional urban states are Arizona, Colorado, Delaware, Florida, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, Nevada, New Jersey, and New York. Massachusetts, technically has a state compensatory education program, but it is totally aimed at bilingual education, therefore, is discussed in the context of state bilingual education programs which follows.

# Table 4 next page lists the 13 states; Pennsylvania is the state which has mandated bilingual instruction without legislation.

## TABLE 4 - STATE LEGISLATED AND FUNDED BILINGUAL EDUCATION PROGRAMS (a)
(In Thousands of Dollars)

| State | Initial Legislation | State Allocations 1971-72 | 1972-73 | 1973-74 | 1974-75 | Total Federal Title VII ESEA Bilingual Education Grant Awards 1974-75 | State Allocations As a % of Federal Title VII ESEA Grant Awards 1974-75 |
|---|---|---|---|---|---|---|---|
| Alaska | | | | $ 200 | $ 200* | $ 705 | 28% |
| Arizona | 1969 | $ 100 | $ 100 | 400 | 700 | 2,565 | 27% |
| California | 1972 | | 1,000 | 4,000 | 4,000 | 21,383 | 19% |
| Colorado | 1975 | | | | (b) | 549 | -0-(f) |
| Illinois | 1968 | 805 | 2,370 | 6,000 | 8,000 | 3,414 | 234% |
| Louisiana | 1968 | | 500 | 500 | 1,300 | 1,596 | 81% |
| Massachusetts | 1971 | 1,500 | 2,500 | 2,500 | 4,000 | 2,075 | 193% |
| Michigan | 1971 | | 88 | -0- | -0-(c) | 832 | -0-(f) |
| New Jersey | 1974 | | | | 250(d) | 2,289 | 11%(f) |
| New Mexico | 1969 | 100 | 300 | 700 | 1,000 | 3,158 | 32% |
| New York | 1973 | | | 1,500(e) | 1,500(e) | 13,250 | 11% |
| Rhode Island | 1974 | | | | 50 | 1,033 | 5% |
| Texas | 1973 | | | 700 | 2,000 | 15,347 | 13% |
| Column Totals | | $ 2,505 | $ 6,858 | $16,500 | $23,000 | | |
| U.S. Totals | | | | | $23,000 | $78,248 | 29% |
| U.S. Totals Less Ill. & Mass. | | | | | $11,000 | $72,759 | 15% |

* Estimate

(a) Only included are programs based on state legislation and categorical funding. Thus bilingual education programs in states such as Washington, which are supported from state compensatory education funds, or in Pennsylvania, which are supported solely by local education agencies, are not included.

(b) Major new program to commence in 1975-76, funded at $2,550,000.

(c) $300,000 allocated for 1975-76.

(d) Major new program to commence in 1975-76.

(e) In addition, significant portions of local districts' allocations of state funds under the Urban Education Program (until June 1974) or Chapter 241 Program (since July 1974) have been earmarked by local districts for bilingual education: $3,750,000 in 1973-74.

(f) Will be much higher in 1975-76.

Table Sources: Same as Table 2; also U. S. Office of Education, ESEA Title VII Project Summary, By State and Project Location, Giving 1975 Grant Award Totals (Washington, D. C.: USOE, mimeograph, December 12, 1975); and Intercultural Development Research Association Newsletter (San Antonio, Texas: IDRA, September 1975), p. 2.

As Table 4 shows, four states have made relatively strong efforts in bilingual education: Illinois, Massachusetts, Colorado and Louisiana.* Each of these states' funding approximates or exceeds significantly the funding for bilingual education provided by the Federal Government's Title VII ESEA.

Illinois and Colorado are two of the states which have enacted major reforms since Serrano. In the case of Illinois, phenomenal increases in funding of its bilingual education program accompanied the State's 1973 general school finance reforms; bilingual education funding rose from $805,000 in 1971-72 to $8,000,000 in 1974-75, the top state funding in the nation. These funds are especially important to Chicago as "nearly two-thirds of (the number of children served) reside in the Chicago area."[19] As will be discussed later, Illinois' general aid formula revisions also significantly benefited Chicago. Thus, Illinois chose a multi-pronged approach to aid its largest city.

Colorado's bilingual education legislation was not enacted until 1975, two years after the State's major 1973 general aid formula revisions. The 1975-76 appropriation was $2.5 million, which is 455% of the 1974-75 Federal Title VII funds awarded to the State. As will be discussed later, one of Colorado's 1973 general aid formula revisions also substantially benefited Denver, despite that city's relatively high wealth. So, Colorado, like Illinois, has chosen a multi-pronged approach to aid its largest city.

In the Northeast and Midwest, where children eligible for bilingual education programs are concentrated in the cities, bilingual aid programs can be seen as a fairly direct way to help cities undertake the tough job of providing an adequate education for their linguistically diverse student populations. Michigan, New Jersey, New York and Rhode Island, in addition to Illinois and Massachusetts, fund state programs. The funding commitments of these four states are quite small, however, compared to the Federal Title VII ESEA funds going into their states. (See Table 4.)

In the Southwest and West, where children eligible for bilingual education programs are more spread out between urban and rural areas, bilingual aid programs obviously have less impact on cities. Nevertheless substantial funding of bilingual programs would still be an important way for states to assist cities in their difficult educational tasks. Next to Colorado, New Mexico appears to have made the second greatest effort in the Southwestern and Western areas of the country. New Mexico's effort, however, is only one-third of the Federal Title VII ESEA allocations in New Mexico. California and Texas have both allocated more funds for bilingual instruction than either Colorado or New Mexico, but their state funds are only 19% and 13%, respectively, of the Federal Title VII ESEA allocations in their states. (See Table 4.).

* Louisiana's program, however, is aimed at fostering French as a second language rather than at meeting the needs of children from homes where a language other than English is dominant.

Across the nation states have allocated $23 million for state legislated and funded bilingual education programs (1974-75). This figure is almost ten times what it was in 1971-72. Similarly, from only three states with legislation and funding on the books at the time of Serrano, now 13 states are in this category. Nevertheless, this growth must be placed in perspective. Even considering that state funds for bilingual education might approach $30 million when adding in state compensatory education funds and state department of education general funds used for bilingual education purposes, state program dollars would still be only 38% of Federal Title VII ESEA dollars for bilingual instruction, and are only 13% of state compensatory education program dollars. As for meeting the need in the area of bilingual education, Congressman Edward R. Roybal of California estimates that the Federal Title VII ESEA funds in FY 74 served only 3% of the five million children who are eligible for bilingual programs.[20] Or to look at this another way, if it could be presumed that the total Federal Title VII funds ($78 million in 1974-75) were spent equally on each eligible child (total 5 million), the additional funds available to participating school districts would be only $16/child. Yet the Federal funds are roughly three times the state funds!

Consequently, except for Illinois, Massachusetts and Colorado, state bilingual programs today do not appear to be substantial forces in meeting the needs of cities' disproportionate numbers of (linguistically) disadvantaged students.

(3) Density or District Size Formula Adjustments

During this post-Serrano period states also have been quite active in making new adjustments to state basic education aid formulae for the purpose of responding to urban school finance problems.

At the time of Serrano in 1971 many formula adjustments were based on population density and school district size. In 1971-72 five states employed such simple adjustments to increase basic state aid entitlements for cities. Three of the five states have now abandoned them, and only one of the post-Serrano reform states (Colorado) has opted to use an adjustment of this type.*

(4) Student Needs Formula Adjustments

During the past four years state formula revisions have been much concerned with tying state general education aid to individual student educational needs. Prior to Serrano, many states determined district entitlements by counting kindergarten, elementary and high school students differently, often assigning pupil weights of 0.5, 1.0 and 1.1 – 1.25, respectively. By and large these were the only differential student needs recognized, although as was discussed earlier, several states recognized low income or "disadvantaged" student needs.

* Illinois (1973), New York (1974) & Ohio (1975) abandoned district size adjustments; Maryland has retained its density adjustment and Pennsylvania has retained its combination density and district size adjustment. Colorado (1973) adopted two measures of population density as criteria for a formula adjustment designed to benefit only Denver (AFDC incidence was a third criterion). The adjustment provided for an equalization program support level for Denver 15% higher than the guaranteed $25/pupil for each local mill levied (1974).

Since Serrano states have been very active in enacting more complex pupil weighting schemes than those utilized earlier. Special education and vocational education, in particular, have been the focus of most of these new schemes. (See Chapter II, "Pupil Weighting Programs in School Finance Reform.") But strong attention has also been paid to the needs of low income or "disadvantaged" students, of which cities have disproportionate numbers. Minnesota revised its scheme which gave a flat 0.5 additional pupil unit entitlement for each AFDC student to one which now provides from 0.5 to 1.1 additional pupil unit entitlement, depending on the concentration of AFDC students in the school district; the greater the concentration, the higher the weighting.* Illinois enacted two separate schemes, both based on the number of ESEA Title I eligible students in a district. (The two schemes are part of two distinct, complete basic aid formulas. Districts may chose to participate under whichever formula benefits them the most.**) The first scheme is similar to Minnesota's old approach, in that a flat 0.45 additional pupil unit entitlement is given for each Title I eligible student. The second scheme is similar to Minnesota's relatively new approach, in that 0.0 to 0.75 additional pupil unit entitlement is given, depending on the concentration of Title I eligibles in the school district.#

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* Concentrations of over 11% AFDC students in a district warrant the highest weighting of 1.1 pupil units additional.

** Illinois retained its Strayer-Haig foundation program, but established a district power equalizing option with an upper limit on the local revenues to be equalized by the State. Two-thirds of the State's districts, which enroll 85% of the State's pupils, elected the DPE option.

# Concentration increases determined as follows:[21]

$$.375 \times \frac{\text{Per cent of district pupils eligible for Title I}}{\text{State Title I eligible students}} = \text{0.0 - 0.75}^{(b)} \text{ additional pupil units}$$
$$\text{Best six months State WADA}^{(a)}$$

(a) WADA here is Weighted Average Daily Attendance including usual grade weightings only.

(b) 0.75 is the maximum allowable

Ohio has discarded its earlier urban adjustment which used AFDC and educationally disadvantaged student concentration, along with school district size, as criteria for providing extra funds to nine of the State's large urban districts. In its place, Ohio had adopted a "Disadvantaged Pupil Impact Aid" (DPIA) program which will now provide special aid to 82 districts. Like Pennsylvania's "poverty factor" adjustment, Ohio's DPIA program is 100% state funded and provides varying flat additional entitlements per pupil depending on the concentration of low income students.## Unlike

## Ohio's "Disadvantaged Pupil Impact Aid" adjustment:

| Percent of ADC Pupils in District ADM (a) | Add'l Entitlement Per ADM (b) | Districts Which Qualify (c) |
|---|---|---|
| 42.5% or more | $ 71.50 | Cleveland & E. Cleveland only |
| 38.5 - 42.4% | 57.50 | None |
| 34.5 - 38.4% | 52.50 | None |
| 30.5 - 34.4% | 47.50 | Cincinnati & Dayton only |
| 26.5 - 30.4% | 42.50 | Columbus & Youngstown only |
| 22.5 - 26.4% | 32.50 | Toledo, Akron, Portsmouth + 4 others |
| 18.5 - 22.4% | 22.50 | Canton, Springfield, Lima + 4 others |
| 15.0 - 18.4% | 15.00 | Hamilton, Warren + 16 others |
| 10.0 - 14.9% (d) | 7.50 | 44 others |

(a) ADC is Aid to Dependent Children. ADM is Average Daily Membership

(b) $24.9 million appropriated for 1975-76, compared to $19,332 million appropriated in 1974-75 for Ohio's old Municipal Overburden provision.

(c) Of the nine urban districts which used to receive payment under the Municipal Overburden provision, all will receive payment under this new provision. However, five of the nine districts will suffer actual losses from 3-39% under the new scheme (Canton 39%, Akron 11%, Columbus 11%, Toledo 11% and Cincinnati 3%), while Cleveland, Dayton, Youngstown and E. Cleveland will receive increases. (Cleveland 42% and Dayton 32%).

(d) Districts with less than 10% ADC, but with at least 600 ADC students, also qualify for the $7.50 additional entitlement.

Pennsylvania, however, Ohio's new approach calculates a district's entitlement by multiplying the additional per pupil entitlements by enrollment (ADM), rather than by the district's number of low income students.

New York scrapped its sizeable categorical compensatory education program and its district size adjustment in favor of a basic aid formula adjustment which focuses on low educational achievement. Additional pupil unit entitlement of 0.25 is given for each pupil scoring low in the State's reading and mathematics achievement tests for the 1971-72 and 1972-73 school years. This is the first adjustment in the country which bases state general aid on low achievement test scores, although Michigan, California and Virginia have utilized low achievement test data to determine how much money a district qualifies for in their categorical compensatory education programs.# New York's five largest cities (New York, Buffalo, Rochester, Syracuse and Yonkers) were to receive 44% of the total funds appropriated for this adjustment in 1974-75.[22] The average payment was projected at $41 per designated pupil.[23]

Of the other states which had basic aid formula adjustments in 1971 responding to the cities' disproportionate numbers of low income pupils, New Jersey's and Washington's extra weightings for "disadvantaged" pupils have been tossed aside, while Pennsylvania, Missouri and Nebraska have retained their adjustments.

New Jersey, as of a September 1975 school finance reform, repealed its 0.75 additional pupil weighting for AFDC students, which factor has figured prominently both in the calculation of Minimum Support Aid (entitlements based on the number of weighted pupils) and in the calculation of district wealth in the State's guaranteed valuation equalization aid program (equalized assessed valuation was computed on a per weighted pupil basis). However, by Dec. 1, 1975 the Legislature had yet to provide funds for its new reform, and the New Jersey Supreme Court had yet to review and speak out on the reform's adequacy in light of Robinson v. Cahill, the State's counterpart to Serrano which goes the latter one up by requiring the State to honor its Constitutional commitment to provide a "thorough and efficient" education throughout the State. Therefore, it might be premature to count out New Jersey's AFDC weightings.

Washington State in 1975 dropped its 0.1 additional pupil unit weighting for students qualifying for a program for the "culturally disadvantaged." This weighting factor had grown to $4.663 million in its last year, 1974-75, while remaining funded at $39.40/pupil.*

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# Michigan's "Chapter 3" (formerly "Section 3") program (enacted 1971), California's Miller-Unruh Basic Reading Act Bilingual Aides Program (AB 612, signed Aug., 1972) and Virginia's pilot comp. educ. program (enacted 1974).

* The State in 1973-74 had changed the basis of counting eligible pupils from counting 1/4 of all AFDC pupils to counting all students eligible for the free reduced price lunch program, which increased fourfold the number of pupils eligible for the extra weighting.

Pennsylvania's "poverty factor" adjustment* has been retained but with increased funding.# Missouri's and Nebraska's adjustments for low income or "disadvantaged" students remain as they were.

New Mexico added a new dimension to pupil weighting schemes in 1974 by including a 0.5 additional pupil unit weighting for students enrolled in a State approved bilingual education program. No other states so far have chosen to follow New Mexico in this direction; they apparently prefer to fund State categorical programs for bilingual education. (See Table 4.)

(5) Income Adjustments To District Wealth Definitions in Basic Aid Formulas

Another problem area for cities has been their declining income in comparison to their suburbs', and sometimes in comparison to their states'. Prior to Serrano only Rhode Island and Maryland had income adjustments built into the definition of district wealth in their general aid formulas. Kansas (1973), Virginia (1974) and Connecticut (1975) have since added income adjustments to bring the total to five states which recognize income differentials among districts. In all cases income measures are used in combination with property tax measures to determine district wealth. Connecticut's new general aid formula defines wealth in terms of property valuation adjusted by median family income. Since Connecticut's major cities have lower income than the State, with the exception of the cities which are in effect affluent "New York City suburbs", the cities, therefore, stand to benefit from this income adjustment as the State's reform is gradually phased in.**

*See page 6.

# The poverty factor adjustment now raises all districts' basic aid entitlements by $165 for each low income pupil, then adds extra entitlements according to the following schedule:

| Low Income Pupils As a % of ADM | Extra Entitlement Per Low Income Pupil | Number of Districts Which Qualify (74-75) |
|---|---|---|
| 15 - 19.9% | $ 30 | 82 |
| 20 - 24.9% | 60 | 42 total 187 |
| 25 - 29.9% | 85 | 21 |
| 30 - 34.9% | 135 | 18 |
| 35% and above | 150 | 24 |

** Connecticut's Largest Cities: Their Income Compared to the State's[24]

| City | 1973 Population | 1969 Median Family Income | Med. Fam. Inc. City/State Ratio |
|---|---|---|---|
| Hartford | 148,526 | $ 9,109 | .77 |
| Bridgeport | 148,337 | 9,849 | .83 |
| New Haven | 131,262 | 9,031 | .76 |
| Waterbury | 110,698 | 10,459 | .89 |
| Stamford | 104,651 | 13,571 | 1.15 "NYC Suburb" |
| New Britian | 79,799 | 10,759 | .91 |
| State | 3,088,000 | $ 11,811 | 1.00 |

Virginia's 1974 general aid reform utilizes personal income, summed with real property valuation and taxable retail sales, to define district "wealth." Kansas' 1973 general aid reform is similar. "Taxable income within the district," as reported on state income tax returns, is summed with the "adjusted valuation" of a district to produce "district wealth." As distinct from Connecticut, however, it is important to note that Virginia's and Kansas' use of income measures to define wealth were not designed to help cities. While Norfolk, Hampton and Portsmouth, of Virginia's major cities, have personal income below the State average, all the major cities, these three included, are poorer in real property valuation than they are in personal income when compared to state averages. (See Table 5.). None of Kansas' three major cities benefit under the income measure. (See Table 6.). Unlike the earlier discussed state adjustments for cities' disproportionate numbers of low income and otherwise disadvantaged students, all of which pump disproportionate amounts of state aid into cities compared to suburban or rural districts, state adjustments for income can cut both ways: they can help (a la R.I., Md. and Conn.) or they can hurt (a la Kansas and Virginia).

(6) Other Adjustments to District Wealth Definitions in Basic Aid Formulas

As reported earlier, district wealth has been adjusted in other ways than by use of income measures. In 1970 New Jersey instituted a school finance equalization system which guaranteed valuation of $30,000 per weighted pupil, wherein AFDC students were counted as 0.75 additional pupil units, which had the effect of reducing apparent district wealth for cities and other districts with disproportionate numbers of AFDC students. New Jersey, however, has tentatively abandoned this approach. But Illinois in 1973 instituted a similar scheme. Equalized assessed valuation is calculated on a Title I weighted average daily attendance (TWADA) basis and TWADA, as earlier reported, includes 0.0 to 0.75 additional pupil units per ESEA Title I eligible child.* This reduces Chicago from 11/th in wealth in the State when property valuation is divided by simple average daily attendance to 299th when property valuation is divided by TWADA (1974-75).[25]

* See page 12 for reference.

## Virginia, Selected Largest Cities[a]: Their Income and Real Estate Valuation Compared to the State's

| City | 1973 Population | City to State Ratios Used in Calculating 1974-75 State Aid[b] | | | |
|---|---|---|---|---|---|
| | | 1971 Personal Income Per ADM | True Value Real Estate Per ADM | 1971 Personal Income Per Capita | True Value Real Estate Per Capita |
| Norfolk | 283,064 | $ 123 | $ 88 | $ 97 | $ 70 |
| Richmond | 283,087 | 135 | 108 | 115 | 92 |
| Newport News | 137,827 | 108 | 74 | 107 | 74 |
| Hampton | 128,119 | 82 | 63 | 95 | 73 |
| Portsmouth | 102,295 | 83 | 59 | 87 | 62 |
| Alexandria[c] | 108,758 | 198 | 192 | 138 | 134 |
| Roanoke | 91,053 | 116 | 82 | 104 | 74 |
| Lynchburg | 54,873 | 115 | 92 | 106 | 84 |
| State | 4,908,000 | $ 100 | $ 100 | $ 100 | $ 100 |

(a) Data were unavailable for Virginia Beach (pop. 199,613) and Chesapeake (pop. 97,089).

(b) Both "Per ADM" (Average Daily Membership) and "Per Capita" are used in calculating district wealth, then basic state aid under Virginia's new school finance formula. 1971 Personal Income as defined by U.S. Department of Commerce.

(c) Washington, D. C. suburb.

Table Sources: Department of the Treasury, Office of Revenue Sharing, General Revenue Sharing, Initial Data Elements, Entitlement Period 6 (Washington, D. C.: Department of the Treasury, April 18, 1975), pp. 401-404 and 437 (population data); Virginia State Department of Education data as provided by Prof. John Knapp, University of Virginia, Taylor-Murphy Institute, December 1975.

TABLE 6

Kansas' Largest Cities: Their Income and Wealth Compared to the State's

| City | Population 1973 | Per Capita Income (PCI) 1972 | PCI City to State Ratio | "Taxable Income" per pupil (TI) 1972-73 (a) | TI City to State Ratio | "Adjusted Valuation" per pupil (AV) 1972-73 (b) | AV City to State Ratio |
|---|---|---|---|---|---|---|---|
| Wichita | 261,231 | $ 3,906 | 1.06 | $ 9,271 | 1.47 | $ 14,866 | .51 |
| Kansas City | 172,878 | 3,517 | .96 | 7,843 | 1.24 | 13,601 | .46 |
| Topeka | 136,059 | 3,920 | 1.06 | 10,925 | 1.73 | 14,603 | .50 |
| State** | 2,270,000 | $ 3,681 # | 1.00 # | $ 6,313 | 1.00 | $ 29,374 | 1.00 |

(a) "Taxable Income" within a district, as reported on state income tax returns, is the measure summed with "Adjusted Valuation" to derive "District Wealth" in Kansas new formula.

(b) "Adjusted Valuation" is the measure of urban and rural real estate, tangible personal property and state assesed property within a district.

** All state average figures are unweighted, except those marked (#).

Table Sources: Department of the Treasury, Office of Revenue Sharing, General Revenue Sharing, Initial Data Elements, Entitlement Period 6 (Washington, D. C.: Dept. of the Treasury, April 18, 1975), pp. 115-116, 437 (population and Per Capita Income data); National Conference of State Legislatures-Legislators' Education Action Project data from Kansas state agencies (Taxable Income and Adjusted Valuation data.)

Connecticut also has chosen to adjust district wealth in a second way in addition to the income adjustment previously mentioned. The State has instituted measurement of property values on a per capita rather than a per pupil basis, the standard procedure across the country. Because of the smaller proportion of public school pupils compared to total population in four of Connecticut's six largest cities, these cities will benefit from this change when the new reform is more fully funded; Hartford will not be affected, and New Britain will lose out. (See Table 7.) This adjustments works as follows. Using Bridgeport as an example, the city's Adjusted Assessed Valuation per pupil (Average Daily Membership) was $53,213 in 1974, 15% above the State median of $46,400. Using Adjusted Assessed Valuation per capita, Bridgeport's apparent wealth plummets to $8,723, amounting to only 55% of the State median, estimated at $15,633.

Virginia also utilizes the per capita approach. In Virginia's complex scheme, the complete district "wealth" measure (the sum of true value real property, personal income and taxable retail sales) is defined partially (1/3) on a per capita basis, and partially (2/3) on a per ADM basis. Of eight major cities five benefit from the per capita approach, two do not, and one is not affected. (See Table 5.)

(7) Municipal Overburden Adjustment

Two problems of urban school finance not dealt with at all in a direct fashion prior to Serrano were (1) municipal overburden, that is, the extra high tax burden cities carry for noneducational public functions which more and more is coming into conflict with local education agencies' raising of local educational revenues, and (2) education price differentials between urban and rural districts, and, in some cases, between urban and suburban districts. Of the 16 states which have enacted major reforms since Serrano, Michigan alone has responded to the first problem and Florida to the second.

Michigan in 1973 enacted a municipal overburden provision which channels significant extra funds to Detroit and some funds to several of the other cities. When the total tax rate of a district ( less school operating taxes)# is 125% or more of the state rate (all districts), the equalized assessed valuation of the district is reduced by the percentage by which the district's rate exceeds 125% of the state rate. The district's basic aid entitlement is then calculated using both this reduced valuation and the district's normal valuation, with the difference in basic aid entitlements partially made up by funds from the municipal overburden provision. The entire difference would be made up if the adjustment were fully funded, but

# Thus, local taxes levied for school construction and debt service are included, although taxes levied for school operating purposes are not. So the measure used is not truly a measure of noneducational tax overburden, although it comes close to being such.

TABLE 7 - Connecticut's Largest Cities: Projected 1975-76 Impact of the State's 1975 Reform

| City/State | Estimated Equalized Valuation per pupil 1974 | Equalized Valuation Per Capita 1974(a) | Equalized Valuation Per Capita 1974 Adjusted by Median Family Income 1969 (b) | Current Expenditures per pupil 1973-74 | State Equalization Aid per pupil 1975-76(c) | Potential Equalization Aid per pupil if New Reform Fully Funded 1975-76 |
|---|---|---|---|---|---|---|
| Hartford | $54,041 | $18,475 | $14,247 | $ 1,110 | $12.50 | $ 755 |
| Bridgeport | 53,213 | 8,723 | 7,276 | 794 | 12.50 | 1,778 |
| New Haven | 51,264 | 12,951 | 9,902 | 944 | 12.50 | 1,232 |
| Waterbury | 41,404 | 10,347 | 9,163 | 927 | 12.50 | 1,580 |
| Stamford (d) | 100,662 | 23,512 | 27,015 | 1,163 | -0- | -0- |
| New Britain | 36,295 | 13,772 | 12,545 | 757 | 12.50 | 784 |
| State (Median of Districts) | $46,400 | $15,633 | $15,633 | | $12.50 | $ 568 |

(a). The State range is $6,315 to $66,354; assessed valuation is corrected for differences in assessment ratios and date of last revaluation.

(b). Equalized valuation per capita is raised or lowered by the ratio of the median family income in the district to the median family income in the state. The state's median family income is $11,811.

(c) Of 169 town districts, 140 will receive $12.50, 25 will receive nothing and 4 will receive $1.68 to $9.84.

(d) "New York City suburb"

"Per pupil" is Averaged Daily Membership (ADM).

Table Source: National Conference of State Legislatures - Legislators' Education Action Project; unpublished computer printout projection of 1975 Connecticut school finance reform.

it was only 28% funded in 1974-75. That year Detroit received approximately $93/pupil under the provision, which accounted for most of its increase in general state aid from the year prior to Michigan's 1973 reform.#

(8) Cost-of-Living Adjustment

Florida in 1973 did not attempt to respond to price of education differentials directly; rather the State chose to utilize a cost-of-living index as a substitute. Cost-of-living factors, ranging from .91 to 1.09 were assigned to each school district based upon a market basket survey in the State. After the basic student cost to be supported by the State's state-local sharing system was set, and the number of weighted pupil units determined for each district, the products of these factors were multiplied by the cost-of-living factors. Urban areas in Florida benefit under this scheme. Despite relatively high wealth in Miami and Ft. Lauderdale, and the equalization aspects of Florida's 1973 reforms, the cities' high cost-of-living factors and the new elaborate pupil weighting scheme combined to increase state aid per pupil 16% for Miami and 25% for Ft. Lauderdale, compared to the 5% state average increase, 1972-73 to 1973-74. Table 8 shows what the urban districts basic state aid might have been without the cost-of-living factor. The Table also indicates the relationship between high proportions of special and vocational education students and increases in basic state aid 1972-73 to 1973-74. In 1974 the cost-of-living factors were renamed "cost differentials". In 1975 the value of the factors was readjusted; they now range from .903 to 1.065*.

# This powerful effect is generally repeatable in other states. Grubb and Michelson found the ratio of non-school tax rate to total tax rate to be a function of population, population density, population growth and the preponderance of AFDC families.[26]

* Miami (Dade County) now has a cost differential factor of 1.065, Ft. Lauderdale (Broward County) 1.058 and W. Palm Beach (Palm Beach County) 1.059. The other major urban areas have factors of 0.970 to 1.019, except Pensacola, at .942. Since the State has consolidated all local districts into 67 county units, this means that suburban schools in the same counties as the major cities also benefit from this cost-of-living provision.

TABLE 8: Florida, Major Urban Districts: Impact of Cost-of-Living Factor and Proportion of Special and Vocational Education Students in Enrollment

| State/County | Florida Cost-of-Living Index 73-74 | Basic State Operating Aid Per Pupil | | | | | Special Education and Vocational Education Students as a % of FTE Enrollment (b) |
|---|---|---|---|---|---|---|---|
| | | Actual 72-73 | Actual 73-74 | Increase 72-73 to 73-74 | Estimated if NO Cost-of-Living Index (a) 73-74 | Increase 72-73 to 73-74 | |
| Duval County (Jacksonville) | 1.000 | $516 | $552 | 11.3% | $552 | 11.3% | 11% |
| Hillsborough Co. (Tampa) | .964 | 515 | 573 | 7.0 | 594 | 15.3 | 10 |
| Dade County (Miami) | 1.090 | 408 | 474 | 16.2 | 434 | 6.4 | 7 |
| Orange County (Orlando) | 1.000 | 491 | 523 | 6.5 | 523 | 6.5 | 9 |
| Broward County (Ft. Lauderdale) | 1.063 | 380 | 475 | 25.0 | 447 | 17.6 | 10 |
| State | 1.000 | $504(c) | $529(c) | 5.0% | $529(c) | 5.0% | 9% |

(a) Hypothetical calculations assuming (1) that both basic student aid and equalization aid were multiplied by the cost-of-living factor, although only the former (the larger part of basic aid by far) was, and (2) that the state aid "lost" by elimination of the cost-of-living factor is not redistributed at all to these urban districts which "lost" aid nor to any other districts in the state.
(b) FTE is Full Time Equivalent
(c) Unweighted average

Table Sources: State aid increase data from Florida agencies, collected and organized by National Conference of State Legislators - Legislatures' Education Action Project.

(9) Summary of the Changes Since Serrano in Adjustments for Urban School Finance Problems

Except for California, and to a lesser extent Washington and Wisconsin, state compensatory education programs in operation at the time of Serrano have hardly been increased since that landmark court decision. Except for Virginia, Utah and Texas there have been no new programs enacted and funded continuously. Colorado let its compensatory education program expire and New York eliminated its program in favor of an adjustment to its general aid formula which benefits disadvantaged students. Excluding California, the other 11 states with funded programs in 1974-75 allocated state compensatory education funds amounting to only 23% of Federal Title I ESEA allocations in their states. Fifteen additional "urban" states have no state compensatory education programs at all.

State bilingual education programs, which have undergone a tremendous expansion in number and in appropriated funds since Serrano, nevertheless, provide funds amounting only to 29-38% of the funds the Federal Government expends on bilingual education across the nation. Excluding Illinois and Massachusetts, the other 11 states' bilingual funds would amount only to 15-23% of the Federal funds. And this against one informed observer's estimate that Federal funds meet only 3% of need.

Thus, it is suggested that these state categorical approaches to meeting urban school finance problems, while important in some states, are generally not of major significance in most states.

Urban adjustments to school finance basic aid formulae were many and varied before Serrano. They have increased in number, in complexity, in variety, and, insofar as can be determined, in funding commitments. Simple population density and school district size corrections have given way to increased use of pupil weighting schemes which count extra for low income or otherwise disadvantaged students and to increased use of fiscal capacity measures which favor urban areas. Municipal overburden has been explicitly addressed for the first time in one state. Cost-of-Education differences based on imputed overall price differentials between districts (by a cost-of-living index proxy), rather than on differences in district demand and capacity to pay for teachers with varying levels of experience and college training, have been explicitly addressed for the first time in one state. Table 9 summarizes the urban adjustments in state school finance systems at the end of 1975.

D. Policy Problems of Urban Adjustments to State School Finance Systems

What, however, are the policy problems associated with the urban adjustments to state school finance basic aid formulae now being utilized?

Adjustments which are based on population density or school district size are simple and direct. The districts to receive funds are easily identified; they are usually few in number. The three states which gave up urban adjustments of this type did so, it appears, to broaden the distribution of special funds. Ohio increased distribution from nine to 82 districts; Illinois increased from twenty six districts to almost

TABLE 9: Summary of Urban Adjustments in State School Finance Systems, 1975

| States* | State Compensatory Educ. Program | State Bilingual Educ. Program | Basic Aid Formula Adjustments: Disadvantaged Pupils | Concentration of Disadvantaged Pupils | Density or District Size | Non-educational Tax Overburden | Education Price Differences | District Wealth Definition: Includes Income | Per AFDC Pupils | Per Capita |
|---|---|---|---|---|---|---|---|---|---|---|
| Arizona | | X | | | | | | | | |
| California | X | X | | | | | | | | |
| Colorado | | X | | | (X)** | | | | | |
| Connecticut | X | | | | | | | | | |
| Florida | | | | | | | | | | |
| Hawaii | X | | | | | | X | X | | X |
| Illinois | | X | X | X | | | | | | |
| Kansas | | | | | | | | | X | |
| Louisiana | | X | | | | | | (X)# | | |
| Maryland | | | | | | | | | | |
| Massachusetts | | X | | | X | | | X | | |
| Michigan | X | X | | | | X | | | | |
| Minnesota | | | | | | | | | | |
| Missouri | | | | X | | | | | | |
| Nebraska | | | X | | | | | | | |
| New Jersey | | X | X | | | | | | | |
| New Mexico | | X | | | | | | | ? | |
| New York | | X | X | | | | | | | |
| Ohio | X | | | | | | | | | |
| Oregon | X | | | X | | | | | | |
| Pennsylvania | X | | X | X | X | | | | | |
| Rhode Island | X | X | | | | | | | | |
| Texas | | X | | | | | | | | |
| Utah | X | | | | | | | X | | |
| Virginia | X | | | | | | | | | |
| Washington | X | | | | | | | | | |
| Wisconsin | X | | | | | | | (X)# | | X |
| Totals | 12 | 12 | 5-6 | 4 | 2 | 1 | 1 | 3 | 1-2 | 2 |

* Delaware, Indiana & Nevada, the remaining "urban states", have no urban adjustments whatsoever.
(X)# Does NOT benefit central city districts.
(X)** Not operative in 1974-75.

the whole state. Both Ohio and Illinois now base their adjustments solely on incidence of AFDC students. New York's 1969-70 district size correction, which included all districts for some distribution and a few districts for a second stage distribution, has been replaced by a distribution based on incidence of low achieving students; this adjustment places funds into most, if not all, districts in the State. The problems with population density and district size adjustments seem to be in their simplicity and directness: they do not ostensibly address any specific problem of urban school finance, as discussed at the beginning of this chapter, and they are too visible, while serving relatively few districts.

Increased attention has been given to basic aid formula adjustments which count extra pupil units for low-income or otherwise disadvantaged pupils (see pp.11-15). Policy problems associated with these adjustments are numerous. First, how do you define eligible students? Pennsylvania uses a definition of "low income" similar to that the Federal Government uses in defining ESEA Title I eligible students; Illinois directly uses Title I eligibility as its definition; Minnesota, Ohio and Missouri utilize AFDC (Aid to Families with Dependent Children) status of students; Nebraska defines eligibility as enrolment in a program for the "culturally deprived"; New York utilizes low scores on reading and math achievement tests. Pennsylvania's definition is partially dependent on U.S. Census Bureau data on low income families, thus suffers over time as the base statistics become more out-of-date. Illinois' direct use of Title I eligibility means that the State aid distribution under this adjustment changes significantly when the Federal Government changes its definition of Title I eligibility, which happened in 1974 and in Illinois shifted funds basically from urban to rural areas.[27] Use of AFDC status to define eligibility results in having the aid labeled as "another welfare program" with all the stigma society currently attaches to this phrase; on the other hand, use of AFDC assures current data on which to base allocations. New York's use of achievement test scores, while focusing funds directly on educational disadvantagement, has the drawback of permitting school districts eventually to influence the distribution scheme through the way they administer the state tests upon which distribution has been based. A more serious problem with New York's approach concerns the distribution of funds to school districts which have significantly raised pupil achievement scores over time: do they now receive less or no extra funds because of their success, while districts not successful continue to receive extra funds?

Second, whether to base allocation of funds on simple incidence or concentration of eligible students is another policy issue. Several have argued that concentration is a fair way to recognize that the "educational climate" of districts with higher concentrations of disadvantaged students is quite different and far less supportive generally of the educational endeavor than that in districts, say, with less than 5-10% disadvantaged students, therefore, needing the input of substantial additional staff and other resources to be countered. Minnesota, Ohio, Pennsylvania and Illinois, whether buying this argument or not, provide greater state formula aid for higher concentrations of disadvantaged students. Nebraska, Missouri and New York, however, do not; their distribution of formula aid for disadvantaged students is solely on the basis of simple incidence; Pennsylvania and Illinois also distribute part of their formula aid for disadvantaged students on the basis of simple incidence.

Third, what should be the amount of extra funding or size of the additional pupil weighting per disadvantaged student? Extra funding ranges from $125/pupil (Missouri) up to $315/pupil (Pennsylvania's maximum payment). Additional pupil weightings range from next to zero (Illinois' lowest weighting) to 1.10 (Minnesota) and even to the equivalent of 1.44 (Nebraska's double weighting for high school students). While Ohio awards $7.50 to $71.50 extra per Average Daily Membership (ADM), rather than an amount (or varying amount) per disadvantaged pupil, for qualifying districts, depending on their different concentration levels of AFDC. There are some decent estimates of the extra cost of compensatory education available through the efforts of the National Education Finance Project.[28] However, these estimates are based on "current practice" or sometimes "superior practice" prior to 1971. They do not tell, as education economist Henry Levin correctly notes, what amount of money is really needed to make a difference in educational outputs of economically disadvantaged children.[29]

Fourth, there are the problems of the targeting of the funds for disadvantaged students and the subsequent accountability for expenditure of these funds. Would a state be better off with a categorical program for compensatory education which specifies that funds are to be expended for extra educational services for the disadvantaged students rather than with a basic aid formula adjustment which provides extra general purpose funds for qualifying districts? The former approach must, perforce, set in motion steps to assure accountability for proper expenditure of funds. This can tend to promote local compensatory programs identifiably separate from regular programs, with attendant consequences of compensatory and regular programs going separate ways and having limited reinforcement between them. The general purpose funds approach leaves all decision-making to local discretion, which often means that the funds are expended throughout districts with slight regard for providing extra services for disadvantaged students. While dealing with special and vocational education needs rather than with disadvantaged student needs, Florida's approach to targeting is noteworthy in the context of this discussion. By State law 80% of the extra funds generated by a schools' particular special student needs must be expended in that school. Thus, the State is assured that the extra funds are targeted on the schools in greatest need of extra help, while not being involved with decisions concerning whether extra services are bought for the special education and vocational students or whether the overall school program is improved. Of the seven states which provide extra funds for low income or otherwise disadvantaged students through basic aid formula adjustments, six do not require that the extra funds either be expended directly for special programs for the students generating the funds or for the schools of those students, while Nebraska does require the former. Of the thirteen states which are presently funding categorical compensatory education programs, most all make one or other of the above requirements; the same is true for the twelve states funding bilingual education programs. New York has chosen a middle ground between the extremes of complete local discretion or rigorous State targeting; the Empire State requires districts to plan and report on the use of the extra funds generated by its 0.25 additional weighting for educationally disadvantaged students.

Increased attention has also been given since Serrano to fiscal capacity measures which favor urban areas. An income adjustment to district wealth definition poses its own set of policy problems. First, and foremost, a State must decide if it wants an urban and rural adjustment or a fundamentally rural adjustment. An income adjustment can almost always help rural areas, but, as noted earlier (p.16 ), it can either help or hurt cities. Rhode Island, Maryland

and Connecticut are using income adjustments to benefit their cities and their poor rural areas; Kansas and Virginia are only using income adjustments to benefit poor rural areas. The income data in a state must be examined before a commitment is made in the direction of an income adjustment.

Second, for an income adjustment, there is the question of what measure of income to use: median family income (as Rhode Island and Connecticut use), "net taxable income"* (as Maryland uses), "taxable income within the district"* (as Kansas uses), personal income (as Virginia uses), or what? Do you compare district income to state income and use the ratio to adjust property valuation (as Rhode Island, Connecticut and Virginia do), or do you sum income with property valuation (as Maryland and Kansas do)? Do you divide income per student (as Maryland, Kansas and Virginia do), or per capita (as Virginia also does)? And as an examination of Tables 5 and 6 shows, the type of income measure used could make a very large difference. If Virginia had chosen a per capita income measure exclusively, rather than also relying on a per student measure, and if Kansas had chosen a per capita income measure rather than "taxable income within the district," all but two of these States' major cities' income positions would appear less, therefore, qualifying these cities for more state basic aid under the two states' recent reforms. Third, data problems may exist, Rhode Island and Connecticut must use 1969 median family income figures, as they are all that are available from the U.S. Census Bureau. Virginia had to use 1971 personal income data from U.S. Department of Commerce studies in calculating its 1974-75 state aid distribution. If "taxable income" is to be used, a state obviously must have a state income tax, and be able to convert data from tax returns to a school district basis.

The policy problems connected with adjusting district wealth in other ways than by use of income measures are less troublesome. To consider defining district property wealth on a per capita basis, as Connecticut and Virginia have done, rather than on the standard per student basis, one must be aware that cities generally have smaller propertions of public school pupils compared to total population than other school districts. Thus cities generally stand to be favored by such an adjustment which would lower their district wealth relative to other districts. Nevertheless, if an urban adjustment is desired, the facts should be checked out within a state before a commitment is made to use a per capita basis for defining district wealth.

To consider defining district property wealth on a per student basis which includes counting AFDC and Title I eligible students, as New Jersey and Illinois, respectively, have done, one does not have to search out the facts as was suggested above for income and per capita adjustments to district wealth. Cities clearly have disporportionate numbers of such students. No data problems exist in using either of these above approaches in adjusting district wealth, since updated population data, AFDC counts and Title I eligible student counts are readily available from year to year.

To consider defining district property wealth on a per Average Daily Membership (ADM) basis rather than on a per Average Daily Attendance (ADA) basis poses little problem other than what might be involved in revising the system of obtaining enrollment data from local school districts. Presumably use of ADA encourages school districts to work harder to get truants into the classrooms. Maybe it does and maybe it doesn't, but it certainly means that

* From state income tax returns.

cities spend money on expanded staffs of attendance officers that might better be spent elsewhere in the systems and that cities receive up to 5% less state aid than they would if ADM were used to calculate entitlements because high truancy rates among their students wreck their ADA.

Michigan's municipal overburden provision poses a difficult set of policy problems. First, should all public functions be compensated for by the State equally, or are some public functions necessities, and others simply choices? Second, should necessary functions satisfied by public expenditure in one jursidiction be compensated for by the State while the same functions satisfied by private expenditure in another jurisdiction (e.g. refuse collection and disposal) are not? Third, while cities have generally higher public services than other jurisdictions do, should the State compensate cities for this when, as some tax experts maintain, cities have a capacity to export significantly more of their taxes to outlying jurisdictions than the latter have to export their taxes to cities? City income taxes on commuters are striking examples of cities' capacity to export taxes. Fourth, will state compensation for high tax rates for noneducational public functions cause a shifting of expenditures (and taxes) for items previously considered primarily education related (e.g. school swimming pools and playfields) to the noneducational ledger in order to beef up the noneducational tax rate, and therefore, to receive some State compensation for items which would otherwise have had to be 100% locally funded? Fourth, and perhaps easiest, at what level should the threshold be set for qualification for special state compensation for high noneducational tax rates? In the case of Michigan, is 125% of the State average reasonable, too low or too high? Fifth, what should the level of state compensation be? Michigan ostensibly reduces a districts' wealth by the percentage noneducational tax overburden exceeds 125% of the state average, thereby increasing the amount of state aid due to the district. In reality, however, the State funds only 28% of the amounts due by such a calculation (1974-75). What is reasonable compensation?

Finally, Florida's cost-of-living factor raises another set of policy problems. First, as Dr. Roe L. Johns, crusty former Director of the National Education Finance Project, would ask: Does not a cost-of-living factor simply support high living rather than legitimate higher cost of education? Second, as many have asked: Does such a factor not support and encourage teacher union power rather than essential differences in costs of education? Third, many cities have higher proportions of teachers with seniority than either their surrounding suburbs or outlying rural areas, and high proportions of teachers with higher levels of education than rural areas.[30] Does a cost-of-living factor adequately address the higher costs central cities have to pay for these older and more educated teachers with their higher salaries and tenure rights which keep them from moving on to other school systems? Or would a state salary schedule be better compensation for this situation? Fourth, should the cost-of-living factor cover also differential costs for construction and renovation of school buildings? For site acquisition?

## E. The Impact on Urban School Districts of Serrano-Type Wealth-Neutralizing Reform

Despite the foregoing urban adjustments since the time of Serrano, the major school finance reform effort has been targeted on reform of wealth-related differences among local school districts. That, of course, is what Serrano, Rodriguez and their progeny were all about. What has happened to the funding of urban education in this context? Have wealth-poor urban districts benefitted from Serrano-inspired reforms? Have needy urban districts with higher than average wealth suffered under these reforms because urban education's multifaceted needs have not been adequately recognized?

### (1) The Overall Impact on Urban School Districts

Ten states have been analyzed to attempt to answer the above questions.* Table 10 sets forth the statistics on basic state operating aid, other state operating aid, total state operating aid, local school revenues (or local school taxes), and changes that have occurred in these items from the year before the states implemented their reforms to the year (or 2-3 years) after the reforms.

Data on school districts in 47 cities in 10 states were examined. Generally the largest cities in each state were selected, although in some cases data were not readily available on all the largest cities.

Overall, of the 47 urban districts, half did well, having increases in basic state operating aid per pupil greater than their average state increase. That is, redistribution of basic state aid did occur in their favor. Of course, this means that half did not do well, as state average increases in basic state operating aid per pupil exceeded their increases#. (See Table 10, columns 1-3). When considering total state operating aid per pupil, the lineup changes little. Only five districts change positions for the better, and one for the worse. (See Table 10, columns 4-9).

Many of the states which have enacted shcool finance reforms since Serrano have attempted to reduce local property taxes at the same time they have been enacting new state aid distribution schemes. Some states have even had this as their principal objective. Of the 41 cities in nine states for which data is available, almost half actually decreased local school revenues per pupil during the first year(s) implementation of their new state school finance reforms. What is more, two-thirds of the 41 districts did better than the other districts in their states, either by decreasing local revenues per pupil more than the state average decrease, or if local revenues had increased in their states, by increasing local revenues less than the state average increase. (See Table 10, columns 10-12.)

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* California, Florida, Kansas, Michigan, Minnesota, Utah, Wisconsin, Colorado, New Mexico and New York.

\# Ann Arbor and Kalamazoo in Michigan, it should be noted, did not even have an increase: They lost basic state operating aid per pupil (1972-73 to 1973-74).

## TABLE 10: URBAN SCHOOL DISTRICTS, FISCAL IMPACT OF RECENT STATE SCHOOL FINANCE REFORMS

| State/City | Basic State Operating Aid Per Pupil 1973-74 | Increase 72-73 to 73-74 Actual | Increase 72-73 to 73-74 Per Cent | Other State Operating Aid Per Pupil 1973-74 | Increase 72-73 to 73-74 Actual | Increase 72-73 to 73-74 Per Cent | Total State Operating Aid Per Pupil 1973-74 | Increase 72-73 to 73-74 Actual | Increase 72-73 to 73-74 Per Cent | Local School Revenues Per Pupil (or Local School Tax Rate) 1973-1974 | Increase (Decrease) 72-73 to 73-74 Actual | Increase (Decrease) 72-73 to 73-74 Per Cent |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| California (a) | $336 | $ 91 | 37% | $154 | $ 67 | 77% | $490 | $158 | 48% | $614 | $(41) | (6.3)% |
| Los Angeles | 268 | 61 | 29 | 166 | 91 | 121 | 434 | 152 | 54 | 646 | (163) | (20.1) |
| San Francisco | 137 | 8 | 6 | 315 | 153 | 94 | 452 | 161 | 55 | 1,319 | 60 | 4.8 |
| San Diego | 254 | 23 | 10 | 132 | 61 | 86 | 386 | 84 | 28 | 612 | 93 | 17.9 |
| San Jose | 269 | 60 | 29 | 193 | 98 | 103 | 462 | 158 | 52 | 782 | (9) | (1.1) |
| Sacramento | 387 | 129 | 50 | 182 | 81 | 80 | 569 | 210 | 58 | 478 | (42) | (8.1) |
| Fresno | 446 | 146 | 49 | 165 | 83 | 101 | 609 | 229 | 60 | 418 | (80) | (16.1) |
| Florida (b) # | $529 | $ 25 | 5% | | | | | | | $243 | $ (9) | (3.6)% |
| Dade County (Miami) | 474 | 66 | 16 | | | | | | | 430 | (36) | (7.7) |
| Broward County (Ft. Lauderdale) | 475 | 95 | 25 | | | | | | | 297 | (135) | (31.3) |
| Hillsborough Co. (Tampa) | 573 | 36 | 7 | | | | | | | 263 | (45) | (14.6) |
| Duval County (Jacksonville) | 552 | 58 | 11 | | | | | | | 282 | 22 | 8.5 |
| Orange County (Orlando) | 523 | 32 | 7 | | | | | | | 305 | 54 | 21.5 |
| Illinois (c) | | | | | | | | | | | | |
| Chicago | | | | | | | | | | | | |
| Peoria | | | | | | | | | | | | |
| Springfield | | | | | | | | | | | | |
| E. St. Louis | | | | | | | | | | | | |

# All state figures are unweighted averages. (a), (b) and (c) See Notes on separate page.

TABLE 10: URBAN SCHOOL DISTRICTS, FISCAL IMPACT OF RECENT STATE SCHOOL FINANCE REFORMS (continued)

| State/City | Basic State Operating Aid Per Pupil 1973-74 | Increase (Decrease) 72-73 to 73-74 Actual | Increase (Decrease) 72-73 to 73-74 Per Cent | Other State Operating Aid Per Pupil 1973-74 | Increase 72-73 to 73-74 Actual | Increase 72-73 to 73-74 Per Cent | Total State Operating Aid Per Pupil 1973-74 | Increase (Decrease) 72-73 to 73-74 Actual | Increase (Decrease) 72-73 to 73-74 Per Cent | Local School Revenues Per Pupil (or Local School Tax Rate) 1973-1974 | Increase (Decrease) 72-73 to 73-74 Actual | Increase (Decrease) 72-73 to 73-74 Per Cent |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Kansas (d)# | $291 | $ 80 | 38% | $ 29 est. | $ 4 est. | 14% | $320 est. | $ 84 est. | 36% | 33.4 mills | 1.9 mills | 6.0% |
| Wichita | 418 | 196 | 88 | 38 | 13 | 51 | 456 | 209 | 85 | 43.6 | (1.2) | (2.7) |
| Kansas City | 384 | 206 | 118 | 27 | 8 | 39 | 411 | 213 | 108 | 42.9 | (8.4) | (16.4) |
| Topeka | 355 | 164 | 86 | 41 | 11 | 38 | 396 | 175 | 79 | 48.5 | (1.9) | (3.8) |
| Michigan (e)# | $441 | $ 43 | 11% | $ 93 | $28 | 43% | $534 | $ 71 | 15% | $ 554 | $ 74 | 15.4% |
| Detroit | 531 | 75 | 16 | 153 | 30 | 23 | 684 | 105 | 18 | 509 | 180 | 54.7 |
| Grand Rapids | 371 | 57 | 18 | 29 | 9 | 45 | 400 | 66 | 20 | 697 | 45 | 6.9 |
| Lansing | 441 | 38 | 9 | 91 | 24 | 32 | 532 | 62 | 13 | 737 | 57 | 8.4 |
| Pontiac | 261 | 2 | 1 | 100 | 33 | 49 | 361 | 35 | 11 | 776 | 45 | 6.2 |
| Ann Arbor | 69 | (67) | (49) | 197 | 47 | 31 | 266 | (20) | (7) | 1,285 | 157 | 13.9 |
| Kalamazoo | 240 | (15) | (6) | 113 | 20 | 22 | 353 | 5 | 1 | 1,098 | 32 | 3.0 |
| Battle Creek | 459 | 57 | 14 | 145 | 61 | 73 | 604 | 118 | 24 | 766 | 60 | 8.5 |
| Minnesota (f)## | $506 | $274* | 117% | $ 87 | $(16)* | (16)% | $593 | $258* | 77% | $ 187 | $(114)* | (37.9)% |
| Minneapolis | 340 | 209* | 160 | 198 | (6)* | (3) | 538 | 203* | 61 | 578 | 145* | 33.5 |
| St. Paul | 386 | 255* | 195 | 190 | (12)* | (6) | 576 | 243* | 73 | 528 | 50* | 10.5 |
| Duluth | 606 | 365* | 151 | 67 | (24)* | (26) | 673 | 341* | 102 | 232 | (91)* | (28.2) |
| Utah (g)# | $485 | $ 68 | 16% | $114 | $ 20 | 21% | $599 | $ 88 | 17% | $ 367 | $ 36 | 10.9% |
| Salt Lake City | 274 | 24 | 10 | 126 | 35 | 38 | 400 | 59 | 17 | 526 | 13 | 2.5 |
| Ogden | 468 | 75 | 19 | 119 | 31 | 35 | 587 | 106 | 22 | 278 | 27 | 10.8 |
| Provo | 457 | 55 | 14 | 111 | 25 | 29 | 568 | 80 | 16 | 256 | (2) | (0.8) |
| Wisconsin (h)# | $452 | $177 | 64% | $ 30 | $ 1 | 3% | $482 | $178 | 59% | $ 540 | $ (27) | (4.8)% |
| Milwaukee | 434 | 229 | 112 | 12 | 1 | 9 | 446 | 230 | 106 | 911 | (55) | (5.7) |
| Madison | 145 | 69 | 91 | 10 | 1 | 11 | 155 | 70 | 82 | 1,271 | 122 | 10.6 |
| Green Bay | 361 | 228 | 171 | 17 | 1 | 6 | 378 | 229 | 154 | 807 | 2 | -0- |

# All state figures are unweighted averages.

## All State figures are medians.

* 1970-71 data are used for comparison vice 1972-73 data, since Minnesota's major reform was enacted in late 1971, and became effective first in 1971-72

(d), (e), (f), (g) and (h) See notes on separate page.

TABLE 10: URBAN SCHOOL DISTRICTS, FISCAL IMPACT OF RECENT STATE SCHOOL FINANCE REFORMS (continued)

| State/City | Basic State Operating Aid Per Pupil 1974-75 | Increase 73-74 to 74-75 Actual | Increase 73-74 to 74-75 Per Cent | Other State Operating Aid Per Pupil 1974-75 | Increase (Decrease) 73-74 to 74-75 Actual | Increase (Decrease) 73-74 to 74-75 Per Cent | Total State Operating Aid Per Pupil 1974-75 | Increase 73-74 to 74-75 Actual | Increase 73-74 to 74-75 Per Cent | Local School Revenues Per Pupil (or Local School Tax Rate) 1974-1975 | Increase (Decrease) 73-74 to 74-75 Actual | Increase (Decrease) 73-74 to 74-75 Per Cent |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Colorado (i) | $546 | $246* | 82% | | | | | | | | | |
| Denver | 362 | 178* | 99 | | | | | | | $579 | $(12)* | (2.0%) |
| Colorado Springs | 512 | 201* | 65 | | | | | | | 1,015 | 104* | 11.4 |
| Boulder | 540 | 276* | 104 | | | | | | | 558 | 17* | 3.1 |
| Pueblo | 602 | 240* | 66 | | | | | | | 700 | (71)* | (9.2) |
| Grand Junction | 631 | 306* | 94 | | | | | | | 358 | (18)* | (4.8) |
| Ft. Collins | 603 | 315* | 109 | | | | | | | 389 | (117)* | (23.1) |
| Greeley | 588 | 262* | 80 | | | | | | | 617 | (62)* | (9.1) |
| | | | | | | | | | | 441 | (100)* | (18.5) |
| New Mexico (j)# | $766 | $200 | 35% | $ 22 | $(168) | (88)% | $788 | $ 32 | 4% | $202 | $126 | 166% |
| Albuquerque | 689 | 237 | 52 | 11 | (119) | (92) | 700 | 118 | 20 | 108 | 68 | 170 |
| Las Cruces | 685 | 233 | 52 | 18 | (118) | (87) | 703 | 115 | 20 | 63 | 48 | 320 |
| Gallup | 487 | 22 | 5 | 110 | 46 | 72 | 597 | 68 | 13 | 69 | 40 | 138 |
| Santa Fe | 691 | 229 | 50 | 11 | (143) | (93) | 702 | 86 | 14 | 88 | 67 | 319 |
| New York (k) | $651 | $ 81 | 14% | $ 59 | $ 14 | 31% | $710 | $ 95 | 15% | | | |
| New York City | 601 | 69 | 12 | 18 | (18) | (50) | 619 | 47 | 8 | | | |
| Yonkers | 416 | 30 | 8 | 19 | (2) | (10) | 435 | 28 | 7 | | | |
| Syracuse | 597 | 67 | 13 | 50 | 28 | 127 | 647 | 95 | 17 | | | |
| Rochester | 485 | 62 | 15 | 31 | 3 | 11 | 516 | 65 | 14 | | | |
| Albany | 448 | 33 | 8 | 37 est. | (16) est. | (30) | 485 est. | 17 | 4 | | | |
| Buffalo | 727 | 76 | 12 | 78 | 44 | 129 | 805 | 120 | 18 | | | |

# All state figures are unweighted averages. * 1972-73 data used for comparison vice 1973-74 data, since Colorado's major reform was enacted in 1973.

(i), (j), and (k) See Notes on separate page.

## TABLE 10- NOTES

(a) California. "Basic State Operating Aid" is Basic Aid and Equalization Aid. "Total State Operating Aid" includes Supplemental Support Aid (1972-73 only), Property Relief Aid, Business Inventory Relief Aid, Other Tax Relief, Transportation, and all categorical programs, along with Basic Aid and Equalization Aid. "Other State Operating Aid is "Total State Operating Aid" less "Basic State Operating Aid". "Local School Revenues" are total local revenues for current operations. Throughout the table, "Per Pupil" is Average Daily Attendance (ADA). Source: Dr. Mel Cipe, fiscal office, California State Department of Public Instruction, January 6, 1975.

(b) Florida. "Basic State Operating Aid", 1973-74, includes foundation aid disbursed under the State's new pupil weighting formula, adjusted by the new cost-of-living factor, plus equalization aid. Throughout the table "Per Pupil" is Average Daily Membership (ADM). Source: National Conference of State Legislatures-Legislators' Education Action Project data from various state agencies, hereafter referred to as "NCSL-LEAP data").

(c)

(d) Kansas. "Other State Operating Aid" includes categorical aid for Driver Education, Vocational Education, Special Education and Transportation. "Local School Tax Rate" is the total local school tax rate. Source: NCSL-LEAP data.

(e) Michigan. "Basic State Operating Aid" is Maintenance and Operating Aid. "Other State Operating Aid" is Total State Aid less State Maintenance and Operating Aid. "Local School Revenues" are for current operating expenses. Throughout the table "Per Pupil" is the pupil count used for state aid purposes. Source: NCSL-LEAP data.

(f) Minnesota. "Basic State Operating Aid" is Foundation Program Aid; in 1970-71 this includes Apportionment and Income Tax School Aid per resident pupil unit; in 1973-74 this includes apportionment per resident pupil unit. "Total State Operating Aid" is the state portion of Adjusted Maintenance Cost, exclusive of transportation; in 1973-74, expenditures for veterans training, community services, receipts from sales of lunches, materials, student activities, and refunds from current expense are also excluded. "Other State Operating Aid" is "Total" less "Basic Aid". "Local Revenues" are the local portion of Adjusted Maintenance Cost with the same exclusions as above. Throughout the table "Per Pupil" is Average Daily Membership (ADM), conversions having been made from 1970-71 data based on Average Daily Attendance (ADA). Sources: State of Minnesota, Department of Education (State Aids, Statistics and Research), Selected Data for Districts Maintaining Elementary and Secondary Schools, Year Ending June 30, 1971 and Aid for 1970-71 School Year (St. Paul: February 1972); Ibid, Year Ending June 30, 1974 and Aid for 1973-74 School Year (St. Paul: February 1975).

TABLE 10- NOTES
(Continued)

(g) Utah. "Basic State Operating Aid", 1973-74, is state aid disbursed under the State's new pupil weighting formula. Throughout the table, "Per Pupil" is Average Daily Attendance (ADA). Source: NCSL-LEAP data.

(h) Wisconsin. "Local School Revenues" are for current operating expenses. Throughout the table, "Per Pupil" is the pupil count used for state aid purposes. Source: NCSL-LEAP data.

(i) Colorado. "Basic State Operating Aid Per Pupil" is actual State Equalization Aid per Attendance Entitlement (AE). AE is determined as the larger of the two previous years' Average Daily Attendance Entitlements (ADAE). "Local School Revenues per Pupil" are actual local General Fund Property Tax per AE, that is, it does not include local school revenues for Capital Reserve Fund nor Bond Redemption Fund. Sources: Paul Turpin, The Impact of the Public School Finance Act, Second Year Analysis - 1975 Budget Year (Denver: Colorado Department of Education, March 1975), Addendums I & II, pp. 21-45; Colorado Department of Education, School Finance and Data Services and Office of Department Management Services, The Impact of the Public School Finance Act of 1973 (Denver: CDE, February 1974), pp. 25-55.

(j) New Mexico. "Basic State Operating Aid", 1974-75 is equalization aid disbursed under the State's new pupil weighting formula. "Other State Operating Aid" includes all categorical aid except transportation aid. "Total State Operating Aid" is total aid less transportation aid. Throughout the table "Per Pupil" is Average Daily Membership (ADM). Source: NCSL-LEAP data.

(k) New York. Throughout the table "Per Pupil" is prior year Weighted Average Daily Attendance (WADA), which is the pupil count used for state aid purposes. "Other State Operating Aid Per Pupil, 1974-75" is BOCES aid (for Boards of Cooperative Educational Services) and new Special Services Type Aid (for the education of the severely handicapped and those in occupational education programs). Special Services Aid and BOCES aid are for similar purposes, but the former only goes to the "Big Five" cities (those listed in the table, except for Albany), while the latter is for all other districts than the "Big Five". "Other State Operating Aid Per Pupil, 1973-74" includes BOCES aid and Urban Education Program categorical compensatory education funds. The latter was eliminated after 1973-74. Transportation aid, building aid, incentive reorganization aid, lunch aid, textbook aid and other special categorical aid are excluded from both "Other State Operating Aid" and "Total State Aid Per Pupil"; all these exclusions account for only about 20% of Total State Aid and almost no changes were made in their allocation formulas from 1973-74 to 1974-75. All 1974-75 data are projections: 1973-74 data are actual. Sources: "Basic State Operating Aid Per Pupil: and Special Services Aid as a part of "Other State Operating Aid" from New York State Executive Department, Division of the Budget, State of New York, Impact of 1974 Legislation on State Aid for Elementary and Secondary Schools, Updated Computer Runs, May 29, 1974 (Albany). State Average Basic State Operating Aid Per Pupil from Task Force on State Aid for Elementary and Secondary Schools, State of New York 1974 Legislation on State Aid for Elementary and Secondary Schools: A Summary (Albany: June 1974), p. 17. Other data furnished by Ms. Lois Wilson, N. Y. State Executive Department, Division of the Budget and Mr. Dick Clarke, N. Y. State Department of Education, Dec. 1975 and Jan. 1976.

(2) The Impact on Wealth-Poor Urban Districts

But specifically how have the wealth-poor city districts fared under the recent series of state school finance reforms? Table 11 lists the 22 urban districts of the 47 studied which are wealth-poor, (i.e., below state average wealth), their equalized valuation per pupil and their basic state operating aid increases per pupil. Of these 22 districts 16 received increases in basic state operating aid per pupil greater than their state average increases, while 6 did not.

Thus, it appears that the Serrano and Rodriguez-inspired, wealth-neutralizing school finance reform movement has generally worked to the advantage of wealth-poor cities. California, Florida, Kansas, Michigan, Minnesota, and New Mexico, of the ten states analyzed here, are primarily responsible for this state of affairs. It should be noted, though, that of the 16 cities which fared well, half of these cities received smaller increases in basic state operating aid per pupil than their wealth disadvantage would seem to warrant. (Compare columns 2 and 4 in Table 11.) This was particularly true in New Mexico.

On the local revenue side of the picture, of the 41 cities analyzed in nine states, 20 are wealth-poor. Of these 20 urban districts, 60% actually decreased local school revenues per pupil during the first year(s ) implementation of their new state school finance systems. Further, 75% did better than the other districts in their states, either by decreasing local revenues more than the state average decrease, or, if local receenues had increased, by increasing these revenues less than the state average increase. (See Table 11 , column 5.)

Thus, in terms of reducing local school revenue outlays for wealth-poor urban districts, or of making the raising of such revenues an easier task for these districts, it seems clear that the modern school finance reform movement has generally assisted urban education. California, Colorado, Kansas, New Mexico and Utah, of the nine states analyzed here, are the primary forces in this movement. (See Table 11 , column 5.)

(3) The Impact on Urban Districts in Need More Comprehensively Defined Than Simply by Property Wealth-Poor

Despite the success of the school finance reform movement in working to alleviate the fiscal problems of wealth-poor urban school districts, the recent state school finance reforms must be analyzed for their impact on the totality of urban districts' fiscal needs. Table 12 sets forth the basic dimensions of a suggested comprehensive definition of fiscal need for urban school districts. Equalized valuation per pupil, income per capita, local noneducational tax burden, percentage of disadvantaged students in enrollment, and a Combined Relative Need Ratio which ties these factors together, are included in this Table.# Education price differentials should be included in the Relative Need Ratio, but data presently are quite unavailable.

# The four factors are weighted equally, recognizing the arbitrariness in such weightings. The authors invite comment on the whole notion of such a need index. The initial idea for the development of the relative need index came from John J. Callahan, William Wilken and M. Tracy Sillerman in Urban Schools and School Finance Reform: Promise and Reality (Washington, DC; The National Urban Coalition, 1973).

TABLE 11 . Selected Wealth Poor Urban School Districts
Basic State Operating Aid Increases and Local School Revenue Changes.
Due to Recent State School Finance Reforms



| State/City | Equalized Valuation Per Pupil 1973-74(a) | State to City Ratio | Basic State Operating Aid Per Pupil Increase 72-73 to 73-74(b) | City to State Ratio | Local School Revenues Per Pupil (or Local School Tax Increase (Decrease) 72-73 to 73-74(c |
|---|---|---|---|---|---|
| California | $14,490 | 1.00 | $ 91 | 1.00 | $ (41) |
| Sacramento | 12,326 | 1.18 | 129 | 1.42 | (42) |
| Fresno | 10,472 | 1.26 | 146 | 1.60 | (80) |
| Florida | $43,289 | 1.00 | $ 25 | 1.00 | $ (9) |
| Hillsboro Co.(Tampa) | 32,301 | 1.34 | 36 | 1.44 | (45) |
| Duval County (Jacksonville) | 33,179 | 1.30 | 58 | 2.32 | 22 |
| Kansas | $33,322 | 1.00 | $ 80 | 1.00 | 1.9 mills |
| Wichita | 16,082 | 2.07 | 196 | 2.58 | (1.2) |
| Kansas City | 13,320 | 2.50 | 206 | 2.45 | (8.4) |
| Topeka | 14,767 | 2.26 | 164 | 2.05 | (1.9) |
| Michigan | $24,461 | 1.00 | $ 43 | 1.00 | $ 74 |
| Detroit | 22,559 | 1.08 | 75 | 1.74 | 180 |
| Minnesota | $12,344 | 1.00 | $274 | 1.00 | $(114) |
| Duluth | 9,842 | 1.25 | 365 | 1.33 | (91) |
| Utah | $ 9,549 | 1.00 | $ 68 | 1.00 | $ 36 |
| Ogden | 6,799 | 1.40 | 75 | 1.10 | 27 |
| Provo | 6,249 | 1.53 | 55 | .81 | (2) |
| Colorado | $18,216 | 1.00 | $246 | 1.00 | $ (12) |
| Colorado Springs | 13,782 | 1.32 | 201 | .82 | 17 |
| Pueblo | 13,035 | 1.40 | 240 | .98 | (18) |
| Grand Junction | 12,567 | 1.45 | 306 | 1.24 | (117) |
| Ft. Collins | 16,432 | 1.11 | 315 | 1.28 | (62) |
| Greeley | 12,570 | 1.45 | 262 | 1.07 | (100) |
| New Mexico | $18,067 | 1.00 | $200 | 1.00 | $ 202 |
| Albuquerque | 9,528 | 1.90 | 237 | 1.19 | 108 |
| Las Cruces | 7,017 | 2.57 | 233 | 1.17 | 63 |
| Gallup | 6,326 | 2.86 | | .11 | 69 |
| Santa Fe | 8,828 | 2.05 | 229 | 1.15 | 86 |
| New York | $42,980 | 1.00 | $ 81 | 1.00 | n.a. |
| Syracuse | 41,504 | 1.04 | 67 | .83 | |
| Buffalo | 31,487 | 1.37 | 76 | .94 | |

(a) From Table 12, column 1
(b) From Table 10, column 2
(c) From Table 10, column 11

## TABLE 12: URBAN SCHOOL DISTRICTS' FISCAL CHARACTERISTICS AND RELATIVE NEED, SELECTED CITIES

| State/City | Equalized Valuation Per Pupil 1973-74 (a) | State to City Ratio | Income Per Capita 1972 (b) | State to City Ratio | Local Noneducational Tax Burden FY1974 est. (c) | City to City Average Ratio | Education Price Differentials City to State Ratio | Percentage of Disadvantaged Pupils in Enrollment 1973-74 (d) | City to State Ratio | COMBINED RELATIVE NEED RATIO (e) |
|---|---|---|---|---|---|---|---|---|---|---|
| California (f) | $14,490# | 1.00 | $4,264 | 1.00 | 2.70%## | 1.00 | | 11% | 1.00 | 1.00 |
| Los Angeles | 15,289* | .95 | 4,545 | .94 | 3.59 | 1.33 | N | 26 | 2.36 | 2.80 |
| San Francisco | 38,550* | .38 | 5,029 | .85 | 6.90 | 2.56 | | 32 | 2.91 | 2.41 |
| San Diego | 15,157* | .96 | 4,215 | 1.01 | 2.11 | .78 | O | 24 | 2.18 | 1.65 |
| San Jose | 14,837* | .98 | 4,026 | 1.06 | 2.41 | .89 | | 9 | .82 | .76 |
| Sacramento | 12,326* | 1.18 | 4,076 | 1.05 | 2.94 | 1.09 | T | 22 | 2.00 | 2.70 |
| Fresno | 10,472* | 1.38 | 3,494 | 1.22 | 3.58 | 1.33 | | 21 | 1.91 | 4.28 |
| Florida (g) | $43,289# | 1.00 | $3,885 | 1.00 | 1.28%## | 1.00 | A | 7% | 1.00 | 1.00 |
| Dade County (Miami) | 62,938 | .69 | 4,366 | .89 | 2.02 | 1.57 | V | 7 | 1.00 | .96 |
| Broward County (Ft. Lauderdale) | 67,112 | .65 | 4,795 | .81 | .60 | .47 | A | 4 | .57 | .14 |
| Hillsborough Co. (Tampa) | 32,301 | 1.34 | 3,604 | 1.08 | 1.42 | 1.11 | I | 6 | .86 | 1.38 |
| Duval County (Jacksonville) | 33,179 | 1.30 | 3,686** | 1.05 | n.a. | | L | 10 | 1.43 | 1.95 |
| Orange County (Orlando) | 48,502 | .89 | 3,837 | 1.01 | 1.33 | 1.04 | A | 4 | .57 | .53 |
| Illinois (h) | | | $4,220 | 1.00 | 2.35%## | 1.00 | B | 18% | 1.00 | 1.00 |
| Chicago | | | 3,984 | 1.06 | 4.37 | 1.86 | L | 50 | 2.78 | |
| Peoria | | | 4,452 | .95 | 2.72 | 1.16 | E | 22 | 1.22 | |
| Springfield | | | 4,361 | .97 | 2.36 | 1.00 | | 12 | .67 | |
| E. St. Louis | | | 2,207 | 1.91 | 4.40 | 1.87 | | 74 | 4.11 | |

# Unweighted average ## Unweighted average of largest cities in State (largest counties in the case of Florida). See Note (c) for details.

* Actual assessed valuation, rather than equalized valuation. ** Jacksonville City only. (a) - (h) See Notes on separate page.

TABLE 12: URBAN SCHOOL DISTRICTS' FISCAL CHARACTERISTICS AND RELATIVE NEED, SELECTED CITIES (continued)



| State/City | Equalized Valuation Per Pupil 1973-74(a) | State to City Ratio | Income Per Capita 1972(b) | State to City Ratio | Local Noneducational Tax Burden FY1974 est. (c) | City to City Average Ratio | Education Price Differential: City to State Ratio | Percentage of Disadvantaged Pupils in Enrollment 1973-74 (d) | City to State Ratio | COMBINED RELATIVE NEED RATIO(e) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Kansas (i)** | $33,322# | 1.00 | $3,681 | 1.00 | 1.83%## | 1.00 | N | 6% | 1.00 | 1.00 |
| Wichita | 16,082 | 2.07 | 3,906 | .94 | 2.28 | 1.25 | | 9 | 1.50 | 3.65 |
| Kansas City | 13,320 | 2.50 | 3,517 | 1.05 | 3.10 | 1.69 | O | 7 | 1.17 | 5.19 |
| Topeka | 14,767 | 2.26 | 3,920 | .94 | 2.12 | 1.16 | T | 8 | 1.33 | 3.28 |
| **Michigan (j)** | $24,461# | 1.00 | $3,984 | 1.00 | 2.38%## | 1.00 | A | 15% | 1.00 | 1.00 |
| Detroit | 22,559 | 1.08 | 3,817 | 1.04 | 5.74 | 2.41 | V | 39 | 2.60 | 7.04 |
| Grand Rapids | 25,717 | .95 | 3,603 | 1.11 | 2.69 | 1.13 | | 29 | 1.93 | 2.30 |
| Lansing | 24,567 | 1.00 | 3,981 | 1.00 | 2.91 | 1.22 | A | 22 | 1.47# | 1.79 |
| Pontiac | 31,864 | .77 | 3,343 | 1.19 | 5.65 | 2.37 | | 28 | 1.87 | 4.06 |
| Ann Arbor | 38,567 | .63 | 4,615 | .86 | 2.21 | .93 | I | 9 | .60 | .30 |
| Kalamazoo | 33,636 | .73 | 3,745 | 1.06 | 2.56 | 1.08 | | 19 | 1.27 | 1.06 |
| Battle Creek | 24,818 | .99 | 3,537 | 1.13 | 3.85 | 1.62 | L | 31 | 2.07 | 3.75 |
| **Minnesota (k)** | $12,344 | 1.00 | $3,666 | 1.00 | 1.38%## | 1.00 | A | 9% | 1.00 | 1.00 |
| Minneapolis | 22,155 | .56 | 4,202 | .87 | 3.24 | 2.35 | B | 31 | 3.44 | 3.94 |
| St. Paul | 18,891 | .65 | 4,062 | .90 | 2.78 | 2.01 | | 23 | 2.98 | 3.01 |
| Duluth | 9,842 | 1.25 | 3,692 | .99 | 2.14 | 1.55 | L | 11 | 1.22 | 2.34 |
| **Utah (l)** | $ 9,549# | 1.00 | $3,341 | 1.00 | 1.26%## | 1.00 | E | 9% | 1.00 | 1.00 |
| Salt Lake City | 13,011 | .73 | 4,109 | .81 | 2.63 | 2.09 | | 18 | 2.00 | 2.47 |
| Ogden | 6,799 | 1.40 | 3,749 | .89 | 1.71 | 1.36 | | 18 | 2.00 | 3.39 |
| Provo | 6,249 | 1.53 | 2,675 | 1.25 | 1.68 | 1.33 | | 9 | 1.00 | 2.54 |
| **Wisconsin (m)** | $42,400# | 1.00 | $3,669 | 1.00 | 1.76%## | 1.00 | | 10% | 1.00 | 1.00 |
| Milwaukee | 44,000 | .96 | 3,809 | .96 | 2.65 | 1.51 | | 25 | 2.50 | 3.48 |
| Madison | 63,731 | .67 | 3,938 | .93 | 2.41 | 1.37 | | 9 | .90 | .77 |
| Green Bay | 47,358 | .90 | 3,533 | 1.04 | 2.41 | 1.37 | | 8 | .80 | 1.03 |

# Unweighted average. ## Unweighted average of largest cities in the state. See Note (c) for details. (a) - (m) See notes on separate page.

TABLE 12: URBAN SCHOOL DISTRICTS' FISCAL CHARACTERISTICS AND RELATIVE NEED, SELECTED CITIES (continued)

| State/City | Equalized Valuation Per Pupil 1974-75 (a) | State to City Ratio | Income Per Capita 1972 (b) | State to City Ratio | Local Noneducational Tax Burden FY1974 est. (c) | City to City Average Ratio | Education Price Differential: City to State Ratio | Percentage of Disadvantaged Pupils in Enrollment 1973-74 (d) | City to State Ratio | COMBINED RELATIVE NEED RATIO (e) |
|---|---|---|---|---|---|---|---|---|---|---|
| Colorado (n) | $18,216* | 1.00 | $4,006 | 1.00 | 2.33%## | 1.00 | | 8% | 1.00 | 1.00 |
| Denver | 25,290 | .72 | 4,560 | .88 | 4.78 | 2.05 | N | 10 | 1:25 | 1.62 |
| Colorado Springs | 13,782 | 1.32 | 3,750 | 1.07 | 2.59 | 1.11 | | 5 | .63 | .99 |
| Boulder | 24,416 | .75 | 4,167 | .96 | 2.57 | 1.10 | O | 1 | .13 | .10 |
| Pueblo | 13,035 | 1.40 | 3,474 | 1.15 | 2.71 | 1.16 | | 19 | 2.38 | 4.44 |
| Grand Junction | 12,567 | 1.45 | 3,748 | 1.07 | 2.43 | 1.04 | T | 5 | .63 | 1.02 |
| Ft. Collins | 16,432 | 1.11 | 3,534 | 1.13 | 1.92 | .82 | | 5 | .63 | .65 |
| Greeley | 12,570 | 1.45 | 3,662 | 1.09 | 1.80 | .77 | | 16 | 2.00 | 2.43 |
| New Mexico (o) | $18,067# | 1.00 | $2,992 | 1.00 | .75%## | 1.00 | | 7% | 1.00 | 1.00 |
| Albuquerque | 9,528 | 1.90 | 3,835 | .78 | 1.75 | 2.33 | A | 3 | .43 | 1.48 |
| Las Cruces | 7,017 | 2.57 | 3,117 | .96 | 1.19 | 1.59 | | 6 | .86 | 3.37 |
| Gallup | 6,326 | 2.86 | 3,877 | .77 | 1.06 | 1.41 | V | 12 | 1.71 | 5.31 |
| Santa Fe | 8,828 | 2.05 | 3,433 | .87 | .93 | 1.24 | A | 5 | .71 | 1.57 |
| New York (p) | $42,980 | 1.00 | $4,248 | 1.00 | 4.18%## | 1.00 | I | 16% | 1.00 | 1.00 |
| New York City | 61,798 | .70 | 4,309 | .99 | 9.51 | 2.28 | L | 39 | 2.44 | 3.86 |
| Yonkers | 62,232 | .69 | 4,983 | .85 | 3.07 | .73 | | 20 | 1.25 | .54 |
| Syracuse | 41,504 | 1.04 | 3,717 | 1.14 | 3.44 | .82 | A | 24 | 1.50 | 1.46 |
| Rochester | 49,920 | .86 | 3,716 | 1.14 | 4.90 | 1.17 | | 37 | 2.31 | 2.65 |
| Albany | 78,329 | .55 | 4,199 | 1.01 | 4.83 | 1.16 | B | 37 | 2.31 | 1.49 |
| Buffalo | 31,487 | 1.37 | 3,409 | 1.25 | 5.19 | 1.24 | L | 30 | 1.88 | 3.99 |
| | | | | | | | E | | | |

# Unweighted average. ## Unweighted average of largest cities in state. See Note (c) for details. * Estimated median of districts.

(a) - (p) See Notes on separate page.

## TABLE 12 - NOTES

(a) Equalization Per Pupil are data from National Conference of State Legislatures - Legislators' Education Action Project (NCSL-LEAP), published and unpublished data from various State agencies, except as noted below. A "State to City Ratio" is utilized so that higher wealth indicates a lower need ratio (i.e., below 1.00).

(b) Income Per Capita, 1972 are data for city governments rather than for school districts,* from Department of the Treasury, Office of Revenue Sharing, General Revenue Sharing, Initial Data Elements, Entitlement Period 6 (Washington, D. C.: Department of the Treasury, April 18, 1975. A "State to City Ratio" is utilized so that higher income indicates a lower need ratio (i.e., below 1.00).

(c) Local Noneducational Tax Burden are data for city governments rather than for school districts,* from Department of the Treasury, ibid. FY 1974 Adjusted Taxes divided by 1973 Population, divided further by Income Per Capita, 1972. No state figures are available; thus, city averages for each state are used instead. See below for details for each state. A "City to City average Ratio" is utilized so that higher noneducational tax burden indicates a higher need ratio (i.e., above 1.00).

(d) Percentage of Disadvantaged Pupils in Enrollment are data from various state agencies, usually either Federal Elementary and Secondary Education Act (ESEA) Title I eligible students, or number of students served by the Federal ESEA Title I program. See below for details for each state. Data on ESEA Title I eligible pupils provided by U. S. Office of Education or by state departments of Education; data on number of students served by ESEA Title I and general enrollment provided by state departments of education. A "City to State Ratio" is utilized so that higher proportions of disadvantaged students in enrollment indicates a higher need ratio (i.e. above 1.00).

(e) Combined Relative Need Ratio is obtained by multiplying the four factors together for each state or school district. This means that each factor is weighted equally. Thus, a threefold equalized valuation advantage (i.e., a "non-need" ratio of 0.33) will compensate exactly for a threefold noneducational tax burden disadvantage (i.e. a "need" ratio of 3.00) : 0.33 x 3.00 = 1.00.

* Data for Florida, however, are for county governments because school districts are county-wide.

TABLE 12 - NOTES
(continued)

(f) California. "...Valuation Per Pupil" is actual, non-equalized, Assessed Valuation per Average Daily Attendance (ADA); source: Dr. Mel Gipe, finance office, California State Department of Public Instruction, Sacramento. "Local Noneducational Tax Burden", City Average determined by averaging burden for all 20 cities over 100,000 population (1973). "Disadvantaged Pupils" are AFDC students.

(g) Flordia. "Equalized Valuation Per Pupil" is equalized valuation per Average Daily Membership (ADM). "Local Non-educational Tax Burden" City Average is actually a county average determined by averaging burden for county governments only in all 18 counties over 100,000 population (1973). "Disadvantaged Pupils" are the number of pupils served by the Federal ESEA Title I Program.

(h) Illinois.

"Local Noneducational Tax Burden" City Average determined by averaging burden for all 19 cities, villages and towns over 50,000 population (1973). "Disadvantaged Pupils" are the students eligible in Illinois for the Federal ESEA Title I program, considering low income, delinquent and neglected students, with decided emphasis on the former.

(i) Kansas. "Equalized Valuation Per Pupil" is Adjusted (equalized) Valuation per pupil, which is the measure of urban and rural real estate, tangible personal property and state assessed property within a school district which Kansas uses partially to define district wealth in its new basic education aid formula; the pupil unit is the same as that used for state aid purposes. "Local Non-educational Tax Burden" City Average is determined by averaging burden for all 19 cities over 15,000 population (1973). "Disadvantaged Pupils" are the number of participants in the Federal ESEA Title I program.

TABLE 12 - NOTES
(continued)

(j) Michigan. "Equalized Valuation Per Pupil" is State Equalized Valuation per pupil, which is the measure Michigan uses to define district wealth in its new basic education aid formula; the pupil unit is the same as that used for state aid purposes. "Local Noneducational Tax Burden" City Average is determined by averaging burden for all 22 cities and villages over 50,000 population (1973); "Disadvantaged Pupils" and the number of pupils eligible in Michigan for the Federal ESEA Title I program.

(k) Minnesota. "Equalized Valuation Per Pupil" is 1973 adjusted assessed valuation as equalized by the Equalization Aid Review Committee divided by the number of resident pupil units; source: Special Report, Update (St. Paul: Minnesota, State Department of Education, Vol. 9, Special Edition No. 3, Spring, 1975). "Local Noneducational Tax Burden" City Average is determined by averaging burden for all 16 cities and villages over 30,000 population (1973). "Disadvantaged Pupils" are

(l) Utah. "Equalized Valuation Per Pupil" is Uniformly Assessed Valuation per Average Daily Attendance (ADA). "Local Noneducational Tax Burden" City Average is determined by averaging burden for all 15 cities over 15,000 population (1973). "Disadvantaged Pupils" are the number of pupils eligible in Utah for the Federal ESEA Title I program.

(m) Wisconsin. "Equalized Valuation Per Pupil" is the measure Wisconsin uses to define district wealth in its new basic educational formula; the pupil unit is the same as that used for state aid purposes. "Local Noneducational Tax Burden" City Average is determined by averaging burden for all 21 cities and villages over 30,000 population (1973). "Disadvantaged Pupils" are the number of pupils eligible in Wisconsin for the Federal ESEA Title I program, considering low income, AFDC, delinquent and neglected students, with a decided emphasis on the former two categories.

TABLE 12 - NOTES
(continued)

(n) Colorado. "Equalized Valuation Per Pupil" is actual, assessed valuation, adjusted by assessment-sales ratios, per Average Daily Attendance Entitlement (ADAE), for Budget Year 1974; Source: Education Finance Center, Education Commission of the States, Denver, Colorado. "Local Noneducational Tax Burden" City Average is determined by averaging burden for all 19 cities over 15,000 population (1973). "Disadvantaged Pupils" are the number of pupils served by the Federal ESEA Title I program.

(o) New Mexico.

"Local Noneducational Tax Burden" City Average is determined by averaging burden for all 11 cities and towns over 15,000 population (1973). "Disadvantaged Pupils" are the number of participants in the Federal ESEA Title I program.

(p). New York. "Equalized Valuation Per Pupil" is Full Valuation per Resident Weighted Average Daily Attendance (RWADA), which is the measure used to define district wealth in New York's new basic education formula; source: Mr. Dick Clarke, education finance research section, New York State Department of Education, Albany. "Local Noneducational Tax Burden" City Average is determined by averaging burden for all 14 cities over 50,000 population (1973). "Disadvantaged Pupils" are ADC pupils (1973).

Table 13 then compares the relative need of urban districts to the state aid gains (or losses) per pupil that these districts have experienced under the recent school finance reforms of the ten states analyzed here.

Overall of the 47 total districts, 15 needy districts did well under their state reforms; they had increases in basic state operating aid per pupil greater than the average increases in their states. Redistribution of basic state aid occurred in their favor. However, 16 needy and average need districts fared poorly, while 5 needy districts received only about the same as other districts in their states. Of the eight non-needy districts, four did well and four did not.# (See Table 13, columns 1-3.)

A look at total state operating aid increases per pupil shows that some corrections were made in the overall state school finance systems to improve the above record in basic aid, but the picture improves little.* (See Table 13, columns 4-5.)

Kansas, Florida, Wisconsin and New Mexico did the best job in providing for their needy urban school districts. Colorado and New York did the worst job, as only one needy district out of eight in the two states combined fared well. Utah would be classified with Colorado and New York, based on the impact of basic operating aid changes alone, but the impact of changes in their state operating aid made up for some of the inadequacy of the State's new general aid formula. Utah, along with California, Michigan and Minnesota all are in the category of having treated their major city school districts unevenly in the provision of state operating aid based upon need.

Table 14 compares the relative financial need of urban districts to the increases or decreases in local school revenues per pupil that these districts have experienced under the recent reforms in the nine states here analyzed. Of the 41 total districts, 20 needy districts did well under their state reforms. They either had larger decreases than their statewide decreases in local school revenues per pupil, or, if local revenues per pupil were generally increased throughout their states, they had smaller increases. Nevertheless, 10 needy or average need districts fared poorly. Of the seven non-needy districts, three did well and four did poorly.** (See Table 14.)

Kansas, Michigan, Utah and New Mexico were most effective in reducing the local school revenue outlays of needy urban districts. On the other hand, Minnesota did the worst job. In California, Colorado, Florida and Wisconsin, the needy and average need school districts both gained ground and lost ground relative to the other districts in their states.

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# The remaining three districts were average-need districts which did well.

* Seventeen (17, up from 15) needy districts received increases in total state operating aid per pupil greater than their state average increases, while 11 (down from 16) needy and average need districts did poorly, and 8 (up from 5) needy districts received only about the same as other districts in their states.

** The remaining four districts were three average need districts which did well, and one needy district which fared average.

TABLE 13: Urban School Districts, Relative Financial Need Compared to Recent Changes in State Aid for Education

| State/City | Combined Relative Financial Need Ratio (a) | Basic State Operating Aid Per Pupil Increase (Decrease) 72-73 to 73-74 (b) | City to State Ratio | Total State Operating Aid Per Pupil Increase (Decrease) 72-73 to 73-74 (c) | City to State Ratio |
|---|---|---|---|---|---|
| California | 1.00 | $ 91 | 1.00 | $158 | 1.00 |
| Fresno | 4.28 | 146 | 1.60 | 229 | 1.45 |
| Los Angeles | 2.80 | 61 | .67 | 152 | .96 |
| Sacramento | 2.70 | 129 | 1.42 | 210 | 1.33 |
| San Francisco | 2.41 | 8 | .09 | 161 | 1.02 |
| San Diego | 1.65 | 23 | .25 | 84 | .53 |
| San Jose | .76 | 60 | .66 | 158 | 1.00 |
| Florida | 1.00 | $ 25# | 1.00 | | |
| Duval County (Jacksonville) | 1.95 | 58 | 2.32 | | |
| Hillsborough Co. (Tampa) | 1.38 | 36 | 1.44 | | |
| Dade County (Miami) | .96 | 66 | 2.64 | | |
| Orange County (Orlando) | .53 | 32 | 1.28 | | |
| Broward County (Ft. Lauderdale) | .14 | 95 | 3.80 | | |
| Illinois | | | | | |
| Kansas | 1.00 | $ 80 | 1.00 | | |
| Kansas City | 5.19 | 206 | 2.58 | | |
| Wichita | 3.65 | 196 | 2.45 | | |
| Topeka | 3.28 | 164 | 2.05 | | |
| Michigan | 1.00 | $ 43# | 1.00 | $ 71# | 1.00 |
| Detroit | 7.04 | 75 | 1.74 | 105 | 1.48 |
| Pontiac | 4.06 | 2 | .05 | 35 | .49 |
| Battle Creek | 3.75 | 57 | 1.33 | 118 | 1.66 |
| Grand Rapids | 2.30 | 57 | 1.33 | 66 | .93 |
| Lansing | 1.79 | 38 | .88 | 62 | .87 |
| Kalamazoo | 1.06 | (15) | (.35) | 5 | .07 |
| Ann Arbor | .30 | (67) | (1.56) | (20) | (.28) |
| Minnesota | 1.00 | $ 274*/## | 1.00 | | |
| Minneapolis | 3.94 | 209* | .76 | | |
| St. Paul | 3.01 | 255* | .93 | | |
| Duluth | 2.34 | 365* | 1.33 | | |

D A T A U N A V A I L A B L E

Data shows negligible differences from basic aid comparison.

Data shows negligible differences from basic aid comparison.

(a) From Table 12, last column
(b) From Table 10, column 2
( ) om Table 10, column 8
weighted average

TABLE 13: Urban School Districts, Relative Financial Need Compared to Recent Changes in State Aid for Education
(Continued)

| State/City | Combined Relative Financial Need Ratio (a) | Basic State Operating Aid Per Pupil Increase (Decrease) 72-73 to 73-74 (b) | City to State Ratio | Total State Operating Aid Per Pupil Increase (Decrease) 72-73 to 73-74 (c) | City to State Ratio |
|---|---|---|---|---|---|
| Utah | 1.00 | $ 68# | 1.00 | $ 88# | 1.00 |
| Ogden | 3.39 | 75 | 1.10 | 106 | 1.20 |
| Provo | 2.54 | 55 | .81 | 80 | .91 |
| Salt Lake City | 2.47 | 24 | .35 | 59 | .67 |
| Wisconsin | 1.00 | $ 177# | 1.00 | | |
| Milwaukee | 3.48 | 229 | 1.29 | | |
| Green Bay | 1.03 | 228 | 1.29 | | |
| Madison | .77 | 69 | .39 | | |
| | | 73-74 to 74-75 (b) | | 73-74 to 74-75 (c) | |
| Colorado | 1.00 | $ 246* | 1.00 | | |
| Pueblo | 4.44 | 240* | .98 | | |
| Greeley | 2.43 | 262* | 1.07 | | |
| Denver | 1.62 | 178* | .72 | | |
| Grand Junction | 1.02 | 306* | 1.24 | | |
| Colorado Springs | .99 | 201* | .82 | | |
| Ft. Collins | .65 | 315* | 1.28 | | |
| Boulder | .10 | 276* | 1.12 | | |
| New Mexico | 1.00 | $ 200# | 1.00 | $ 32# | 1.00 |
| Gallup | 5.31 | 22 | .11 | 68 | 2.13 |
| Las Cruces | 3.37 | 233 | 1.17 | 115 | 3.59 |
| Santa Fe | 1.57 | 229 | 1.15 | 86 | 2.69 |
| Albuquerque | 1.48 | 237 | 1.19 | 118 | 3.69 |
| New York | 1.00 | $ 81 | 1.00 | $ 95 | 1.00 |
| Buffalo | 3.99 | 76 | .94 | 120 | 1.26 |
| New York City | 3.86 | 65 | .80 | 47 | .49 |
| Rochester | 2.65 | 62 | .77 | 65 | .68 |
| Albany | 1.49 | 33 | .41 | 17 | .18 |
| Syracuse | 1.46 | 67 | .83 | 95 | 1.00 |
| Yonkers | .54 | 30 | .37 | 28 | .29 |

D A T A U N A V A I L A B L E

(a) From Table 12, last column
(b) From Table 10, column 2
(c) From Table 10, column 8
# Unweighted average.
## Median
* 1970-71 data are used for comparison vice 1972-73 data

TABLE 14: Urban School Districts, Relative Financial Need Compared to Changes in Local School Revenues (or Taxes)

| State/City | Combined Relative Financial Need Ratio (a) | Local School Revenues Per Pupil (or Local School Taxes) Increase (Decrease) 72-73 to 73-74 (b) | City to State Ratio |
|---|---|---|---|
| California | 1.00 | $(41) | (1.00) |
| Fresno | 4.28 | (80) | (1.95) |
| Los Angeles | 2.80 | (163) | (3.98) |
| Sacramento | 2.70 | (42) | (1.02) |
| San Francisco | 2.41 | 60 | 1.46 |
| San Diego | 1.65 | 93 | 2.27 |
| San José | .76 | (9) | (.22) |
| Florida | 1.00 | $ (9)# | (1.00) |
| Duval County (Jacksonville) | 1.95 | 22 | 2.44 |
| Hillsborough Co. (Tampa) | 1.39 | (45) | (5.00) |
| Dade County (Miami) | .95 | (36) | (4.00) |
| Orange County (Orlando) | .53 | 54 | 6.00 |
| Broward County (Ft. Lauderdale) | .14 | (135) | (15.00) |
| Illinois | | | |
| Kansas | 1.00 | 1.9 mills | 1.00 |
| Kansas City | 5.19 | (8.4) | (4.42) |
| Wichita | 3.65 | (1.2) | (.63) |
| Topeka | 3.28 | (1.9) | (1.00) |
| Michigan | 1.00 | $ 74# | 1.00 |
| Detroit | 7.04 | 180 | 2.43 |
| Pontiac | 4.06 | 45 | .61 |
| Battle Creek | 3.75 | 60 | .81 |
| Grand Rapids | 2.30 | 45 | .61 |
| Lansing | 1.79 | 57 | .77 |
| Kalamazoo | 1.06 | 32 | .43 |
| Ann Arbor | .30 | 157 | 2.12 |
| Minnesota | 1.00 | $(114)*/## | (1.00) |
| Minneapolis | 3.94 | 145* | 1.27 |
| St. Paul | 3.01 | 50* | .44 |
| Duluth | 2.34 | (91)* | (.80) |

(a) From Table 12, last column
(b) From Table 10, column 11
# Unweighted average
## Median
* 1970-71 data used for comparison vice 1972-73 data, since Minnesota's major reform was enacted in 1971.

TABLE 14: Urban School Districts, Relative Financial Need Compared to Changes in Local School Revenues (or Taxes)
(Continued)

| State/City | Combined Relative Financial Need Ratio (a) | Local School Revenues Per Pupil (or Local School Taxes) Increase (Decrease) 72-73 to 73-74 (b) | City to State Ratio |
|---|---|---|---|
| Utah | 1.00 | $ 36# | (1.00) |
| Ogden | 3.39 | 27 | .75 |
| Provo | 2.54 | (2) | (.06) |
| Salt Lake City | 2.47 | 13 | .36 |
| Wisconsin | 1.00 | $ (27)# | (1.00) |
| Milwaukee | 3.48 | (55) | (2.04) |
| Green Bay | 1.03 | 2 | .07 |
| Madison | .77 | 122 | 4.52 |
| | | 73-74 to 74-75 (b) | |
| Colorado | 1.00 | $ (12)* | (1.00) |
| Pueblo | 4.44 | (18)* | (1.50) |
| Greeley | 2.43 | (100)* | (8.33) |
| Denver | 1.62 | 104* | 8.66 |
| Grand Junction | 1.02 | (117)* | (9.75) |
| Colorado Springs | .99 | 17* | 1.42 |
| Ft. Collins | .65 | (62)* | (5.17) |
| Boulder | .10 | (71)* | (5.92) |
| New Mexico | 1.00 | $ 126# | 1.00 |
| Gallup | 5.31 | 40 | .32 |
| Las Cruces | 3.37 | 48 | .38 |
| Santa Fe | 1.57 | 67 | .53 |
| Albuquerque | 1.48 | 68 | .54 |
| New York | 1.00 | | |
| Buffalo | 3.99 | N O T | |
| New York City | 3.86 | | |
| Rochester | 2.65 | | |
| Albany | 1.49 | A V A I L A B L E | |
| Syracuse | 1.46 | | |
| Yonkers | .54 | | |

(a) From Table 12, last column
(b) From Table 10, column 11
# Unweighted average
* 1972-73 data are used for comparison vice 1973-74 data, since Colorado's major reform was enacted in 1973.

(4) Summary of The Modern School Finance Reform Movement's Impact on Urban School Districts

The modern school finance reform movement inspired by Serrano and Rodriguez appears not to have been unkind to urban school districts. These districts have had state aid redistributed in their favor as often as it has been shifted the other way. And two-thirds of them have benefitted under the local property tax reduction focus of many reform states. Property wealth-poor city districts have done even better on both counts.

However, when it comes to defining fiscal need in terms other then simply property-poor, and attempting to meet those more comprehensively defined needs, the record of the states in reform is not as good.

On the one hand, changes in local school revenues had about the same impact on needy urban districts as on all urban districts undifferentiated. Of 29 districts in nine states, 20 came out better than the other districts in their states in reducing local revenue or in limiting increases. On the other hand, though, only 15 of 34 needy urban districts in ten states benefitted from redistribution of basic state operating aid in their favor. Changes in other state operating aid improved this record, but only slightly.

CHAPTER III

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